Ministry of Foreign Affairs of Denmark
Danida

MULTI-DONOR BUDGET SUPPORT

PHASE II (2010- 2014)

PROJECT DOCUMENT

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Country:	Ghana
Title:	Multi Donor Budget Support Phase II
Implementing Partner:	Ministry of Finance and Economic Planning
Starting Date:	November 2010
Duration:	2010 – 2014
Total Budget:	DKK 357.0 million
Component 1 – MDBS:	DKK 325.0 million
Component 2 – GIFMIS:	DKK 27.0 million
Reviews, Audits, Studies etc.:	DKK 5.0 million

On behalf of Government of Ghana	On behalf of Government of Denmark
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Hon. Dr. Kwabena Duffuor	Stig Barlyng
(Minister of Finance and Economic Planning)	(Ambassador)

26th November 2010

Executive Summary

This second phase of Multi Donor Budget Support (MDBS II) has the objective of supporting the implementation of Ghana's medium term growth and poverty reduction agenda with financial resources, policy dialogue and regular monitoring in a manner which is harmonised with other development partners to reduce transaction costs. The objective of the public finance component is to improve the effectiveness of scarce resources and assure an accountable, more effective and transparent government.

The justification for continued provision of MDBS is based on assessment of the 10 Danish Budget Support principles – which highlights the good progress made in terms of positive trends in development outcomes generally; the improvements in respect of human rights, democracy, poverty reduction, and harmonisation; while pinpointing areas of slow pace of reforms and drawing attention to areas of caution including the need for strengthened public financial management and monitoring. The justification indicates Ghana's need for support in key infrastructure areas to accelerate growth and reduce poverty; it also portrays expectations of progress in human development. The strategic approach and design for MDBS Phase II is to provide funding support of DKK357 million over 2011- 2014, through two components – DKK325 million for general budget support; complemented by DKK27 million contribution to strengthening Public Finance Management (PFM) at the strategic level with a residual amount of DKK5 million for reviews/studies and audits. The MDBS disbursements are planned to be front-loaded to complement the flow of oil revenues.

As part of continuous efforts to improve the MDBS mechanism, measures have been put in place to strengthen the policy dialogue, including broadening national participation, inter-ministerial level collaboration, all operating within the scope of a stronger Progress Assessment Framework (PAF), which will be responsive to both immediate shocks and medium to longer term outcome targets. Critical policy issues within this MDBS include management of oil revenues and in the context of provision of GBS, GoG's management of the economy including a sound fiscal and regulatory framework for oil and gas, higher national per capita incomes, strengthening economic governance structures and also a possible exit when oil revenues are well established. Cross-cutting issues of importance to Danida are also addressed.

On management and organisation, the MDBS has introduced new measures to improve its efficiency, including the structure and timing of reviews. Denmark will apply a new 80-20 split between base and performance tranche, underlining the importance of a holistic assessment of the economy rather than a narrow focus on a few indicators. On financial management, this programme stresses the criticality of a strong public financial management system. Reporting, monitoring and evaluation issues are highlighted for attention to ensure that there is much more stringent oversight of implementation.

The risks of supporting this new phase of the programme include challenges of new oil revenues and possibility of mismanagement, possibility of slow pace of public finance management reforms, possible dilution of the policy dialogue with entry of new substantial

funding from BRICK countries (Brazil, Russia, India, China and Korea), the risk that rapid economic growth will not lead to equally strong poverty reduction and improved progress towards the MDGs. There is the need to build capacity of government and to undertake necessary reforms including decentralisation to improve service delivery at the local level and ultimately achieve the goals of the Ghana Shared Growth and Development Agenda and the Millennium Development Goals.

Justification for Provision of General Budget Support

The decision to continue provision of general budget support to Ghana is based on the assessment of performance in the ten Danish budget support principles and from two perspectives – the backward look, (performance) – assessing the track record and overall trends in development outcomes including the current state of affairs; and secondly, the outlook (need and expectations of progress in critical areas). Two main factors – oil revenues with expected higher national income and the rebasing of the national accounts which has resulted in upward revision of the Gross Domestic Product (GDP) and a higher income per capita – will likely change the need and expectations of progress in the medium term. Denmark's decision to provide a new programme of general budget support (GBS) is also influenced by an assessment of the engagement between GoG and its MDBS partners and adherence to the Framework Memorandum principles signed on between GoG and its partners.

From the performance perspective – trends in development outcomes – Ghana's performance is deemed satisfactory. In the period 2003 to 2008, economic growth was strong, with annual GDP growth higher on average (5.7 percent) than during the previous six years (1996-2001) of 4.1 percent. In the recent past, though, the economy experienced some degree of macroeconomic instability triggered by i.a. the international financial crisis and overspending in the run up to the December 2008 elections. However in January 2009, a framework was agreed between the new Government and IMF, which included tight fiscal and monetary policy to reduce deficits, stem rising inflation, stabilize the rapidly depreciating currency and accumulate reserves to two months of import cover. As a result of these stabilisation efforts, by the end of the first half of 2010, the deficit/GDP ratio was down to 3.2 percent of GDP; and inflation down to 9.46 percent. Subsequently, the Bank of Ghana's monetary policy rate was reduced to 13.5 percent in July which has led a reduction of commercial banks' lending rates. The foreign exchange market continues to gain in depth and the Ghana Cedi remains stable. The expectation is that the combination of these positive economic developments will boost business and consumer confidence and lead to resurgence in economic activity in 2011.

Ghana has also made good progress in a number of MDGs – reducing extreme poverty, improving nutrition and reducing hunger, increasing school enrolments, gender equality, reducing child mortality and improving access to water. Poverty incidence was significantly reduced from 39 percent in 1999 to 28.5 percent in 2006. However, there are disparities in the rate of reduction of poverty across geographical areas, economic sectors and across gender; and these remain a source of concern. Government of Ghana has stated its commitment to poverty reduction by protecting the share of pro-poor expenditures in annual budgets.

With respect to governance, Ghana's maturity in the transfer of political power makes it a noteworthy example in the sub-region. The country has a good human rights record; and though perceptions of corruption persist, the new Government is addressing the corruption issue by investigating and prosecuting such cases. With regard to public financial management, the 2009 results from Public Expenditures and Financial Accountability (PEFA) and the 2009 External Review of Public Financial Management (ERPFM) assessments point to slow progress with reform and some weakness in financial management (for which safeguards are outlined in the risk assessment section). For audit and procurement, systems adhere broadly to international standards. The backlog of audits of consolidated funds which needs Parliamentary scrutiny is being addressed. On procurement, the challenge remains with getting more DPS to use country systems. Overall, in response to these highlighted weaknesses in PFM systems, Government has indicated its re-commitment to strengthening its financial management by re-vitalising the PFM framework especially the Medium Term Expenditure Framework and the new Ghana Integrated Financial Management System (GIFMIS), which is ready for take-off.

In the terms of outlook – the need for general budget support and expectation of progress – two factors mentioned earlier, oil revenues and increased income per capita, will affect the pace of development and the type of development assistance given to Ghana in the medium term. Ghana's proven oil reserves are modest by international comparison with a field life of 25 to 30 years. It is estimated that production from the Jubilee field would largely substitute for oil imports, except in 2011-15, when an exportable surplus is projected. Expected oil revenues would therefore create new fiscal space but on a relatively modest scale.

The increased per capita income from the rebasing of Ghana's national accounts is likely to have implications for Ghana's access to concessional financing and to its ability to receive aid. Ghana's per capita income of US$1318 in 2010 means the country has passed the middle income threshold earlier than anticipated. This scenario points to the possibility of a different partnership between Denmark and Ghana by the end of the upcoming phase increasingly focusing on expanding the commercial and political cooperation. GoG however, continues to express a need for development assistance especially GBS because of its flexibility and supportiveness of Ghana's development agenda which continues to focus both on economic growth and poverty reduction.

Providing general budget support continues to make good political sense. Continuing general budget support would provide opportunities for promoting development and poverty reduction through dialogue. GOG would be supported to continue to implement its medium term development agenda, which supports both economic growth and poverty reduction goals within a strategic framework. The final medium term development policy framework – the *Ghana Shared Growth and Development Agenda* (GSGDA) (2010 - 2013) – is planned to be approved by Parliament this September after consultations at the Consultative Group meeting with its development partners in September 2010. The intention is for the 2011 budgetary allocations to be based on the new framework.

The current PAF is strong, having flexibility, a longer term focus and some shorter term actions. Support by Denmark and other DPs around a strong PAF will help keep new priorities on track, help GoG maintain its focus in spite of competing interests, and protect poverty spending. In addition, the continued dialogue made possible through GBS will ensure continuation of other reforms such as decentralisation and public sector reforms enabling Denmark and other DPs discuss areas and sectors of governance even where Denmark has no specific engagement. It has been proven that budget support is an efficient means of reducing aid dependence at sector level. Currently, Denmark provides sector budget support to the health sector; financial support directly to districts for water supply, sanitation and rural feeder roads; and district capacity building in performance audits to strengthen accountability. It also supports private sector development and good governance institutions; all complemented by general budget support. Continuing GBS will also provide funding for the comprehensive capacity building needed across GoG to support oil revenue planning and prudent management of oil revenues. This could be a strategic policy aspect of the MDBS dialogue.

On the performance of the MDBS itself, the mechanism has improved predictability of resource flows, has had low levels of transaction costs in relation to other modalities and has facilitated increased ownership and responsibility for the development policy dialogue on the side of Government. In respect of harmonisation, the MDBS has facilitated implementation of the principles of the Paris Declaration and Accra Agenda for Action. Denmark will, through its participation in the MDBS, continue to use its leverage to pursue harmonization among other DPs and alignment to GoG systems. In the midterm review of the Ghana Joint Assistance Strategy, Denmark's total score indicated a strong resolve to pursuing the harmonisation agenda and an adherence to the core principles of aid effectiveness, which will be continued in this new phase of the programme.

Ghana has used development assistance provided through the MDBS and other modalities prudently and achieved tangible development results. Though the emergence of oil will affect revenues and aid flows, it is important to note that the resource requirements for full achievement of the MDGs and Ghana's infrastructure needs are yet to be met. Estimates of resource requirement have indicated that Ghana would be no more ahead in its budget resource envelope with oil alone without aid. Even with no saving prospects, the oil revenue stream will hardly be enough to meet Ghana's development needs. Also, actual revenue flows in the early years, 2011-2014, are likely to fall below the average because of high exploration and development cost recovery. Maintaining budget support in the short to medium-term would essentially be scaling up the resource envelope to support growth needs, infrastructure requirements, and the pursuit of the MDGs. There is also a clearly expressed need from GoG to continue to receive GBS despite its future oil "wealth". Most importantly, GoG has proven its commitment to sound macro-economic management and good public policy, implementation of agreed reforms and a strong determination to battle poverty.

For Denmark, and other development partners, staying engaged over the short to medium term through budget support facilitates access and legitimacy in voicing concerns on development issues. Enhancing the efficiency and quality of spending will be a critical issue for the dialogue between DPs and Government and one that Denmark can contribute to in a valuable way based on its long-standing experience in the areas of decentralization and service delivery in Ghana. Any risk of maintaining budget support for a time period longer than necessary, can be addressed through a re-assessment of Denmark's budget support by the year 2012 or 2013 when there would be more information about the prospects of recoverability of reserves, and with it a better picture of the potential stream of government revenues. Denmark will stay flexible and pragmatic about options/modalities in its development assistance, the level of assistance, but communicate firm expectations of what government should do in return, especially in relation to processes for improved transparency and domestic accountability and issues of poverty reduction.

Denmark will, based on the above analysis, continue support to the implementation of Ghana's MTDP through general budget support of DKK 350 million in the period 2010 to 2014. The analysis of the ten budget support principles as basis for provision of general budget support indicate mostly satisfactory progress (see Annexes). Special cautions in specific areas are outlined in the risk assessment such as the need for strengthened economic management especially clearance of domestic arrears and attaining stability, the need for stronger PFM, and a more transparent management of natural resources, stronger focus on results, political economy aspects of decentralization and public sector reform and capacity issues. Areas of weak performance are addressed through the Risk Mitigation measures (see Risk assessment section).

Strategic Approach and Design

- **Funding levels and disbursements**

Given the positive outlook for the Ghanaian economy with regard to potential new revenues from oil, wide-ranging discussions are on-going among DPs on the appropriate aid modality to be used in the medium term. Most MDBS DPs are maintaining their current levels of support Should these levels remain unchanged, the MDBS as a group will provide about US$400 million per annum in support of GoG's development agenda equivalent to about 11 percent of total revenues and grants.

For this new phase of MDBS, Denmark will contribute DKK 357 million (the equivalent of about US$58.52 million) to be disbursed between years 2010 - 2014. The programme has two components, DKK325 million for the MDBS and DKK 27 million for PFM. A residual amount of DKK 5 million is reserved for short term consultancies, reviews and audits.

The disbursements for MDBS will be front-loaded reflecting the complementarity of general budget support to expected increasing oil revenues from 2011. The disbursement profile for MDBS will be DKK 100 in 2011, DKK 90 in 2012, DKK 80 in 2013 and DKK 56 in 2014. Funds will be disbursed in a single annual transfer comprising a base tranche and a performance-related tranche. Disbursement decisions will be derived from the joint annual MDBS review. Denmark will use an 80/20 split (formerly a 50/50 split) between base and performance-related tranches, reflecting the recommendation contained in the revised Danida's Guidelines for Programme Management. The increased proportion assigned to the base payment reflects the importance given to the overall assessment of progress with regard to poverty reduction and economic growth which looks beyond individual sectoral indicators.

The Danish general budget support component will support the GSGDA and using the strengthened PAF, be responsive to both shocks/emergencies, as well as to medium and longer term outcomes such as the MDGs. This split also follows trends shown by other DPs in the MDBS partnership, signifying a wish for harmonisation for increased leverage in the dialogue with government.

For the Ghana Integrated Financial Management Information System, the objective is o support Government of Ghana to improve the effectiveness of service delivery and the allocation of scarce resources and assure an accountable, more effective and transparent government. Danish support is intended to strengthen public finance management at a strategic level. The rationale for the Embassy to engage in GIFMIS is to participate in the political dialogue around the PFM reforms and seek to influence the process.

- **Dialogue, Critical Policy Issues and Approach**

The MDBS partnership has initiated measures to strengthen the MDBS dialogue. The participation of national stakeholders in the dialogue is being broadened to include parliamentarians, CSOs, and independent governance institutions. Denmark, together with other DPs, is pushing for more regular dialogue and greater inter-ministerial dialogue and collaboration. More regular interactions are planned to facilitate a continuous dialogue between the different Sector Working Groups (SWGs) and the MDBS Core Group (the central coordinating forum on the DPs side) and on cross sectoral issues and for annual reviews to include issues of a cross cutting nature. The Embassy will also pursue a merger of annual reviews processes of the MTDP and MDBS to reduce transaction costs and promote development partner alignment.

At the Heads of Cooperation/Heads of Mission levels, the Embassy is actively pursuing the involvement of relevant government representatives in the dialogue with a view of promoting government ownership. Where the Embassy chairs/co-chairs SWGs, it will push for full GoG leadership. Other key dialogue fora include the Annual Consultative Group meetings – where the Embassy seeks to influence the agenda for the dialogue, and the biannual High Level Consultation with GoG. Besides these multi donor fora, the Embassy has regular dialogue with key members of government, civil society and religious bodies to ensure the necessary in-depth political economy understanding of issues e.g. regular contact with the Ministers/deputy ministers of Finance, Health, Trade and Industry, Environment and Local Government, the Chief Imam and NGO leaders.

Critical policy issues for consideration in the provision of GBS include effectiveness of GoG's management of the macro economy, focus on results and a strengthened PFM system. Increasing revenues from oil production heightens the need for prudent management of the economy. To support efficient macroeconomic management, there is currently an IMF arrangement in place. The presence of the IMF programme brings a high degree of comfort to GBS providers due to the strong complementary/advisory role the IMF plays in the management of the economy. As a result of its quarterly monitoring arrangements and regular dialogue with GoG in respect of its economic programme, the IMF provides regular updates and insights on the management of the economy to the MDBS Core Group and Heads of

Cooperation forum. In addition, in respect of monitoring of pro-poor expenditures, MDBS DPs expect to benefit from updates both from Government and the planned benchmarking on levels of poverty expenditures as a share of GDP under the next IMF programme.

In the area of capacity building, a joint approach by EU DPs has been flagged as a priority. Options proposed include a better integration of capacity assessments into sectoral strategies and pooled technical assistance funds managed by counterparts and more analysis on what approaches work in what context. Denmark will encourage a comprehensive approach to capacity development. The GIFMIS programme has as one of its priorities, capacity development in agencies of Government with responsibility for public finance management.

Support will also be provided for audits, consultancies and studies. To improve the effectiveness of budget support resources, MDBS disbursements may be structured to rely on triggers that signify progress public financial management and improvements in governance institutions that are essential for transparency and accountability. Denmark and other DPs will continue the dialogue with Government on a sound regulatory and fiscal framework for oil and gas, i.a., at the regular Heads of Missions and Heads of Cooperation meetings with the Minister of Finance for updates on progress. Denmark will also dialogue with Government, both bilaterally and together with other DPs, on considering exits when oil revenues are well established.

Development objectives

The objective of providing development assistance, especially general budget support is to provide support – financial resources and policy dialogue - for the implementation Ghana's pro-poor growth and poverty reduction agenda, in a manner that improves the predictability of funding and reduces transaction costs. It takes due cognisance of the need to make progress with the MDGs. The key elements of the provision of budget support – a combination of financial resources, dialogue and regular monitoring are to:

i. Provide budgetary resources in addition to those raised domestically directly to Government for the implementation of the MTDPF and finance fiscal actions aimed at promoting sustainable economic growth, alleviating poverty and achieving the Millennium Development Goals (MDGs);
ii. Increase aid effectiveness by harmonising DPs policies and procedures through the minimisation of transactions costs and by fostering Government ownership, alignment, management for results and mutual accountability;
iii. Enhance the performance and accountability of the Government of Ghana's public financial management systems;
iv. Facilitate the strengthening of institutional capacity for designing and executing development policies;
v. Promote the accelerated implementation of policy reforms and enhanced performance in service delivery in order to achieve development objectives; and
vi. Foster domestic accountability and transparency.

Ghana's Development Strategy

Details of Government of Ghana's development strategy for the current period are contained in the Ghana Shared Growth Development Agenda (GSGDA) 2010 – 2013. The GSGDA benefited from extensive consultations with the various stakeholders across government, the private sector, civil society, Parliament and Development Partners. The strategy is expected to be finalised in September 2010, to be adopted soon after by Parliament.

The GSGDA has two broad objectives – achieving the MDGs and attaining Middle Income Status, and focusing on education and skill development, improved access to health, malaria control and HIV/AIDS prevention and treatment, social protection, access to water and sanitation, housing and slum upgrading and population management. Unlike the GPRS Ii which was developed in a robust economic climate and during a political rule which favoured markets and emphasized private-led growth approach to reducing poverty, the GSGDA on the other hand, stresses the need for Government to focus on agriculture, fisheries, SMEs, sanitation and the Savannah region for poverty reduction. The GSGDA stresses the importance of macroeconomic stabilization to provide the fiscal space for investing in policies, programmes and projects which will enhance Ghana's private sector competitiveness, accelerated agricultural development and natural resource management, improved infrastructure development, human resource development and job creation. It also highlights the need to strengthen transparency, accountability and efficiency in government. Given the contextual difference also, in relation to the new found oil, the GSGDA also considers the challenges and opportunities related to the exploitation of oil and gas reserves starting in 2011 as far as growth, job creation, the environment and the non-oil sector are concerned.

Feasibility of the GSGDA is difficult to establish without the detailed macro framework and the costs which are not available at this time. In terms of touching on critical areas for development, the GSGDA appears to be on track. And based on past experience with development plans in Ghana, the finalised GSGDA is likely to be of good quality, though it may not be wholly affordable. In the President's State of the Nation Address in February 2010, he stated that his government would use the oil and gas revenues to transform the economy of Ghana from the present over-dependence on primary raw materials to a more diversified, prosperous, 21st century industrial nation. This provides an idea of the extent of the interventions planned. Oil revenues will definitely impact on the breadth of the national plan and its affordability. In the preliminary proposal for the management of the oil and gas revenue, Government indicates that it aims to spend oil revenues through the national budget, with allocations to established priorities i.e. investment in human resource development and productive infrastructure – roads, water supply etc. To better manage these revenues, two funds will also be established – a heritage fund and stabilization fund

Background: Macro Economy, Fiscal Situation and Development

The Ghanaian economy experienced strong growth in the mid to late 2000s, with annual GDP being higher on average (5.7 percent) from 2003 - 2008 than during the previous six years (1996-2001) of 4.1 percent. In 2008, the economy grew at a two-decade high of 7.3 percent reflecting expansionary policies, and combined increased private sector activity based on strong credit expansion, strong growth agriculture yields and in remittances. However as a result of a combination of a number of factors including the twin exogenous shocks of food and fuel price increases, strong domestic demand and fiscal slippages by 2009, the fiscal deficit was 14.5 percent of GDP, inflation had reached 20 percent, and the Ghanaian currency had depreciated by 50 percent against the dollar. In addition there was an accumulation of domestic arrears from 2008.

In response to these difficult macroeconomic circumstances, the new Government began a dialogue with the IMF which resulted in a new Extended Credit Facility (ECF) of US$602.6 million in July 2009 with the main goal of eliminating Ghana's large fiscal imbalances by 2011 and to put in place strengthened institutions for public financial management. The ECF includes structural fiscal reform measures ahead of Ghana's move to oil producer status. The pillars of the current programme with the IMF are to restore macroeconomic stability and eliminate the most pressing obstacle to continued strong growth and poverty reduction. At the same time, fiscal consolidation is expected to create the necessary room for manoeuvre, so that when oil revenues come on stream in 2011, they can be dedicated to new growth-promoting and poverty-reducing investments that benefit future generations, rather than being diverted to unproductive recurrent spending.

Medium Term Macroeconomic Framework

The GoG's programme for the medium term has the objective of ensuring macroeconomic stability with sustained growth. This objective is expected to be accomplished primarily by pursuing prudent macroeconomic policies; modernisation of agriculture; provision of infrastructure including for Information and Communication Technology; development of the private sector and development of the oil and gas industry. The growth objective is expected to enable an 8 percent growth over the medium term, with inflation target of less than 10 percent, gross international reserves of not less than 3 months of import cover for goods and services and an overall budget deficit of about 3.0 percent of GDP. In line with the 2009 DSA, the updated DSA continues to assess Ghana's risk of debt distress as moderate. GoG has stated its intent of exercising prudent management of debt to ensure sustainable debt levels, implement social interventions to reduce poverty and unemployment and embark on a vigorous anti-corruption campaign.

Government intends to continue with fiscal consolidation in the medium term and expand the resource envelope to finance critical investments for growth. With the move to oil production in 2011, real GDP is projected to rise by about 20 percent, subsequently easing to about 6 percent. According to the IMF however, the medium-term fiscal framework suggests that only around one-third of projected oil revenues of 5½ percent of GDP could be spent on new programs in 2011–12 without jeopardizing the planned fiscal consolidation. The available fiscal space would increase significantly in 2013, as arrears repayments come to an end.

Structural reforms to support fiscal policy will be continued. Following the consolidation of the three revenue agencies into the Ghana Revenue Authority, additional measures will be instituted to enhance revenue mobilization. The new system for financial management, the

Ghana Integrated and Management Information System (GIFMIS) forms a part of the measures for improving expenditure management.. To improve liquidity management, a Treasury Single Account (TSA) has been opened to link all government accounts to ensure efficient monitoring and use of cash balances. All the accounts of the statutory funds will be maintained at the Bank of Ghana and consolidated.

Medium Term Budget Outlook
As indicated in the GoG Letter of Intent to the IMF, the government is targeting a further reduction of the fiscal deficit through 2011 – 12, to slow the growth of public debt and bring down the share of the budget devoted to debt service. Oil revenues will provide new fiscal space starting in 2011, but there will be many competing demands for these resources. These include the need to clear a residual stock of domestic expenditure arrears projected at about 5 percent of GDP at end–2010. In addition, even though every effort will be made to strengthen the non-oil budget through tight expenditure management and reinforced revenue administration, a portion of oil revenues may need to be dedicated to reducing the fiscal deficit. Until the outlook for oil incomes is better defined, and pending an assessment of revenue yields in 2010, the government intends to avoid committing to using oil revenues for specific projects for the near term. Notwithstanding this, a list of potential projects is being drawn up, and their respective contributions to Ghana's future development are being assessed, to guide any future scaling up of infrastructure and social spending.

A number of risks and vulnerabilities have been identified by the IMF in relation to the economic programme. The key risk is the possibility of slippage in fiscal performance. On the expenditure front, the public sector wage bill is a source of concern being high in relation to tax revenues and tending to exceed its budget. Implementation of the new Single Spine pay structure needs to be closely monitored. Domestically financed investments are set very low and could easily exceed the targets set. The high cost of public administration could crowd out the fiscal space achieved by oil.

Specific measures to address cross-cutting issues and priority themes

Gender issues were mainstreamed into the GPRS; the GSGDA does the same. There is a fairly comprehensive policy and legal framework for gender equality and women's empowerment in Ghana. Government considers gender equality a priority, shown by its continuing support for gender responsive budgeting (GRB). The MDBS dialogue, through the Sector Working Group on Gender, monitors progress with gender equality. The Annual Progress Reports also requires reporting using gender disaggregated data, wherever possible.

The Human Rights record of Ghana is positive. The current Government has emphasized its commitment to the rule of law and the protection of human rights. There is an indication of support to the independent governance institutions.

In the area of HIV/AIDS, Ghana is in a fortunate position compared to other African countries. The national HIV prevalence rate has stabilised at approximately 1.9%. Monitoring of the national response is being strengthened and GoG support for funding the National

Strategy is through the payment of the administrative costs of the GAC. District Assemblies are also required to contribute 0.5% of their District Assemblies Common Fund to support HIV/AIDS programmes at the local level.

In terms of addressing environmental issues, Ghana has a robust environmental institutional framework and considerable capacities to set environmental management standards. The institutional framework is defined by the 1991 National Environmental Policy, the 1992 National Environmental Action Plan, and the Environmental Protection Agency Act of 1994. The MDBS dialogue has a focus on the environment and regularly monitors targets in this area and will remain so especially in the oil era.

Budget

Denmark will disburse an amount of DKK 357 million over the period 2010 – 2014, to two components – MDBS (DKK 325m) and PFM (DKK 27m). A residual amount of DKK 5m will be used for reviews, studies, audits and short term consultancies. The MDBS will be disbursed in a single annual transfer comprising a base payment and a performance-related payment indicated in the table below which assumes a 100% of the performance-related payment is disbursed each year. Actual disbursements of the performance-related component could be less than the amounts shown. There will be an 80/20 split between base and performance-related tranches. For the MDBS component, disbursements will be front-loaded, starting with DKK 100 million in 2011 reducing to DKK 55 million by 2014.

Budget (million DKK)

Million DKK	**2010**	**2011**	**2012**	**2013**	**2014**
MDBS Base tranche		80	72	64	40
MDBS Performance tranche		20	18	16	15
Total MDBS (annual)		**100**	**90**	**80**	**55**
GIFMIS	**7.0**	**7.0**	**7.0**	**6.0**	**0**
Audits, studies/reviews etc.		1.5	1.5	1.0	1.0
Total Annual Disbursement	**7.0**	**108.5**	**98.5**	**87.0**	**56.0**
Total Cumulative	**7.0**	**115.5**	**214.0**	**301.0**	**357.0**

From the group of MDBS partners, actual disbursements amounted to approximately US$525 million for 2009. Pledges for 2010 signalled the end of the 2009 review indicated that for 2010, an amount of US$451.5 would be disbursed. Planned disbursements from MDBS partners for the 2011 – 2013 period are not all available as a number of partners are in the process of completing existing or developing new programmes and are therefore unable to provide indications of outer year allocations at this time.

Planned disbursements for 2010 – 2013 by MDBS partners (in millions US$)

DP	2010 Planned Disbursement	2011 Indicative Allocation	2012 Indicative Allocation	2013 Indicative Allocation
AFDB	15.70	47.10	47.10	47.10
Canada	18.42	19.20	19.19	19.19
Denmark	12.60	16.39	14.75	13.11
EC	53.29	35.70	42.07	42.07
France	8.03	9.56	8.92	8.92
Germany	35.33	23.95	12.75	tbc
Japan	4.01	4.17	4.18	4.18
Netherlands	25.50	25.50	25.50	tbc
Switzerland	8.53	9.47	tbc	tbc
UK	73.70	tbc	tbc	tbc
World Bank	343.0	100.00	100.00	tbc
Total	**598.11**	**289.67**	**274.46**	**134.57**

1. AFDB: Allocations assume an equal disbursement over 3 years
2. DFID: No agreed programme is in place for 2011 onwards. Agreement expected by end of 2010
3. Switzerland: An agreement is in force for 2009 – 2011. Indicative allocations for 2012 and 2013, subject to the conclusion of a new bilateral agreement
4. Japan: Allocation for 2011 is indicative and subject to approval of Govt of Japan, although current levels of allocation is foreseen. Level is allocation for 2012 – 2013 purely speculative at this point

Management and organisation

Currently, there are eleven partners in the MDBS: African Development Bank, Canada, Denmark, European Commission, France, Germany, Japan, Netherlands, Switzerland, United Kingdom and World Bank. Management of the MDBS is through the MDBS Core Group whose counterpart in Government of Ghana is the Minister of Finance and Economic Planning (MoFEP). The Core Group is chaired by a permanent co-chair – the World Bank, a rotating co-chair and a rotating vice co-chair. The co- and vice co-chairmanship is rotated on an annual basis amongst the DP members, with new leadership beginning after the annual review of the progress assessment framework (PAF). Day-to-day exchanges and operational matters are organised through the MDBS Secretariat based at MoFEP, under the overall responsibility of the Chief Director.

A set of growth and poverty reduction objectives, development indicators and policy reform measures, drawn from the poverty reduction strategy, is mutually agreed by GoG and DPs as the Progress Assessment Framework (PAF) and is used by all signatories of the MDBS Framework Memorandum (attached). These development indicators and policy reform measures are referred to as 'targets'. Targets are expected to be result-oriented, time-bound, specific, measurable, realistic, within the power of the GoG to achieve, and limited in number. Targets included in the PAF are generally drawn from within the objectives of PRS. Together, GoG and DPs decide on the means of verification of the targets, including the necessary documentation. The achievement of a subset of the targets, known as 'triggers', will determine the extent to which the single component or the performance component is disbursed.

The review process for MDBS is common for all DPs on an agreed schedule and aligned with the budget cycle and the poverty reduction strategy. The Annual Review is organised and chaired by MoFEP and includes representatives of the GoG and the MDBS partners (including observers). The review process is guided by the work of sector groups, including the conclusions from existing sector-level reviews. The MDBS uses information gathered through these and other ongoing processes to ensure that DPs do not set up duplicative reviews. The review includes an assessment of overall progress in implementing the MTDPF**,** including macroeconomic performance, as well as progress against the PAF. The assessment of satisfactory macroeconomic performance is guided by an IMF instrument or arrangement. If the GoG is broadly on track in both areas, this 'holistic assessment' is considered to be positive. In addition, the documentation for the review includes, among others, regular reports on budget execution and poverty-reducing expenditures; existing PFM reviews, including an audit of selected flows; the annual budget statement, and the agreed documentary evidence for progress achieved in the PAF. The GoG and DPs endeavour to have joint and regular communication with external stakeholders at key stages in the MDBS dialogue, including dissemination of the final PAF and outcomes of the annual review.

The MDBS is disbursed in a single annual transfer comprising a base payment and a performance-related payment derived from the joint annual MDBS review. The base payment is disbursed using an "all or nothing" assessment of satisfactory performance in the "holistic assessment" which looks at overall progress with implementation of PRS and macro-economic management. The performance-related payment is based on an assessment of progress made in implementing a number of targets suggested by Government and agreed by MDBS development partners to serve as performance triggers. Disbursement decisions are left to the discretion of each individual DP, however DPs try to reach a joint position. Most MDBS DPs use the same agreed triggers for disbursement.

In order to improve the effectiveness of the MDBS instrument, ensure its alignment to national budget processes as well as reduce transaction costs, a review of the timing and structure of the annual reviews will be undertaken. Annual Reviews will focus more on the "holistic" assessment as opposed to concentrating predominantly on individual sectoral analyses.

This phase of general budget support will continue to be based on the MDBS Framework Memorandum signed on 19th May 2008. To broaden participation, from this year, non-state actors including Parliamentarians, CSO and the media will participate in selected sessions during the Annual Review. This is expected to improve oversight and domestic accountability.
The MDBS Secretariat is the focal point on the GoG side for MDA involvement in the Annual Review process. And will be responsible for follow up with MDAs on timely submission of all information needed to produce stated inputs, consolidating the PAF and providing final comments on the end of review Aide-memoire.

Financial management and procurement

There is a fairly well developed regulatory framework for public finance and procurement though implementation and enforcement have faced some challenges notable among them is the weaknesses in financial reporting. The most recent information indicates that about 50% of DPs use country systems, while more are in the process of adjusting their corporate rules to permit greater ease of use of systems. For Denmark, the procedures for financial management and procurement are generally those of the GoG and are used not only in the disbursement of general budget support, but also for its sector budget support programme.

In terms of financial management, the usual safeguards – clearly spelt out procedures for disbursement, procurement, financial reporting and audit – will be applied. To strengthen PFM, Denmark is actively supporting the new GIFMIS through the provision of a DKK27 million fund into the DP pool with grant funds from MDBS phase I. Adherence to the procedures for proper financial management in the Framework Memorandum regarding obligations of both GoG and DPs and the Government to Government Agreement accompanying this new Programme of Support will be monitored. As an additional safeguard, the Auditor General of Denmark may exercise its right to carry out an audit or inspection regarding the use of the Danish funds in question, as provided for in the Government to Government Agreement between Ghana and Denmark.

Monitoring, reporting, reviews and evaluations

Two institutions at the centre of Government are responsible for monitoring of development results –the National Development Planning Commission, supported by various sector MDAs in data collection and analysis and the Ghana Statistical Service. The mandates of these two institutions regarding monitoring are backed by law. According to the Framework Memorandum of the MDBS, the Annual Progress Report (APR) prepared by the National Development Planning Commission will be used during the Annual Reviews to provide a comprehensive assessment of the achievements and challenges in the implementation of the country's growth and poverty reduction strategy.. The MDBS uses country monitoring systems to measure progress made on indicators of the PAF.

A comprehensive national M&E plan has been developed which provides a coherent framework for tracking progress towards the achievement of agreed national objectives. The framework outlines the institutional arrangements to guide the monitoring and evaluation process. The M&E plan covers the key M&E activities to be undertaken, how the output will be used to influence policy at the national, sector and district levels, and the mechanism designed to disseminate the findings. It also defines the roles and responsibilities of all stakeholders at each stage of the monitoring and evaluation process.

Key Assumptions, Risks and Safeguards

A risk analysis is undertaken to identify the potential risk areas and necessary safeguards are also outlined in the attached matrix:

Risk categories		Risks Identified	Risk Assessment – Likelihood/impact	Examples of Safeguards	Responsible Unit (Embassy/MFA)
1. Fiduciary risks		The recent accumulation of arrears, though being corrected, points to the need for strong public financial management systems and more transparency in the management of resources. New oil revenue brings additional challenges to the public finance management system	Less likely/Major	This risk is being addressed through the renewed focus of Government and DPs on PFM: introduction of a number of safeguards including the GIFMIS supported under this programme, the upcoming oil and gas regulatory framework which will include an Extractive Industries Transparency Initiative (EITI) in the oil sector, the Freedom of Information Bill, increased spending for independent governance institutions and CSOs including the Serious Fraud Office – to build capacity to act as watchdogs over government spending.	Embassy
		Increasing corruption due to lack of political will to undertake needed concrete short term actions and/or more long term reforms	Less likely/Major	Government is addressing corruption – the Attorney General is preparing cases for prosecution. Denmark provides support to: CHRAJ, GAS, GIFMIS, audits of selected flows, performance audits at district level, value-for-money audits.	Embassy
Non-financial risks	Governance	Transparency and rule of law not improving especially with regard to use of oil revenues. Incentive for oil revenues to lead to increased patronage	Unlikely /Major	The Petroleum Revenue Management Bill; Increased spending for independent governance institutions to build capacity to act as watchdogs over oil revenues, Freedom of Information Bill	Embassy
		Ineffectiveness - risk that economic growth will not lead to poverty reduction and improved progress towards the MDGs. There is slow progress with decentralisation reforms, meaning the capacity of sub-national government to implement and undertake necessary reforms is weak.	Less likely/ Moderate	This challenge is recognised and is being addressed. Ghana has a good track record of addressing poverty and there is political will in continuing this trend as evidenced in the policies of the new Medium Term Development Policy Framework. Capacity development of government is stressed in the new Ghana Aid Policy including reforms including decentralisation to improve service delivery at the local level and ultimately achieve the Millennium Development Goals. There is also a strong and vibrant civil society increasingly able to hold government to account to these issues, with support from development partners, including Denmark. Influencing the choice of targets to be discussed and monitored in annual MDBS reviews is one of the ways that development partners hold Government accountable to this path.	Embassy

Risk categories		Risks Identified	Risk Assessment – Likelihood/impact	Examples of Safeguards	Responsible Unit (Embassy/MFA)
		GSGDA - the limited fiscal space suggests the need to focus on more efficient resource use, better quality, and more equality with regard in the provision of services within already on-going initiatives.	Less likely/moderate	Close monitoring and continuous dialogue on spending priorities during implementation will be undertaken. The dialogue will focus on decentralization and public sector management issues in the MDBS dialogue. The IMF programme, allows for monitoring of fiscal situation.	Embassy
	Macro-economic	There is some vulnerability of the Ghanaian economy given its dependence on commodity price fluctuations and the difficult global economic environment though stabilisation efforts have started showing results, there is still.	Low/major.	Mitigation measures are the continued successful implementation of the IMF's programme with government which provides a strong signal to external markets and development partners of Government's intention to continue with the stabilisation programme.	Embassy
		There is a risk that oil revenue inflows would increase the value of the cedi benefitting importers but harming exports, leading to the condition known as "Dutch Disease".	Possible/moderate	Measures to address Dutch Disease include strengthening Ghanaian private sector to respond to production incentives.	Embassy
		Easy access to funding with less consequences such as BRICK countries, FDI, Bonds with less cumbersome requirements and less governance oversight provides disincentive for Government to undertake reforms	Possible/minor	Strengthen dialogue, DPs forum include BRICKS, strengthen CSOs/IGIs on	Embassy
		Development partners reduce GBS due to own declining economies	Unlikely/moderate.	GoG is committed to adjust its programmes downward, should the unlikely scenario occur.	MFA
	Institutional capacity	The proposed GIFMIS is a technically complex system, whose aim of decentralising finances to lower levels of government represents a moderate risk – considering the time span of four years and the capacity levels of some district offices. There could be slow implementation and delays.	Possible/Moderate	Mitigation of this risk is through competency development of staff involved in implementation. The project will undertake major capacity building activities to build the capacity of staff. Government also intends to implement a national capacity development strategy which would target such critical staff. These will be monitored.	Embassy
		The relationship between Minister MOFEP and other MDAs deteriorates and its effects on MDBS process.	Less likely/Moderate	MDBS Secretariat is improving their management of the inputs from MDAs to achieve the desired results.	Embassy

Component 2: Support for Ghana Integrated Financial Management Information System

Danish support of DKK 27 million will be provided as a component of the second phase of the Multi Donor Budget Support as part of a joint pool with three other development partners: the Department for International Development (United Kingdom), European Union and the World Bank, to the funding and implementation of the Ghana Integrated Management Information System (GIFMIS). The original pool of USD55.76 million from the above-mentioned partners has been expanded to include the Denmark's contribution of DKK 27 million, making a total of US$60.2

Objective
The objective of providing Danish contribution to the Ghana Integrated Financial Management Information System (GIFMIS) pooled fund is to support Government of Ghana to improve the effectiveness of service delivery and the allocation of scarce resources and assure an accountable, more effective, and transparent government.

Background
Ghana's public finance management reform efforts have gained momentum in recent years, with improvements in comprehensiveness of the budget, transparency and public access to budgetary and financial information and effectiveness of tax collections. Procurement reforms are broadly on track and institutional improvement in internal audit and timeliness of audit reporting is noted. However, in respect of transfers to provinces and districts, there is limited transparency. The main critical weakness of the PFM system is low fiscal discipline which impacts negatively on the strategic allocation of resources and efficient delivery of services. The monitoring of commitments and stock of expenditures has also been difficult, which means the link between approved budgets and budget execution is not clear, leading to overspending of budgets and low budget credibility. This situation has deteriorated over time, allowing the accumulation of payment arrears and inefficient use of resources affecting overall service delivery.

Justification
Danish support is intended to strengthen public finance management at a strategic level. Due to the importance of strong financial management systems for general budget support and sector budget support (Denmark's default mode of providing support), Denmark intends to increase its support for this area. The rationale for the Embassy to engage in the PFM support to implement GIFMIS is to participate in the political dialogue around the PFM reforms and seek to influence the process. Support from Denmark and other participating DPs is matched by Government's strong support for GIFMIS which evidenced by the high level GoG commitment for the PFM reform agenda, including chairing of the project steering committee by the Deputy Minister of Finance, the stated intention of GoG to fund the recurrent costs of GIFMIS in annual budgets, the proposed implementation of the national capacity building strategy which will strengthen the ability of critical staff to deliver on national objectives, including for PFM. Denmark is already active in the Public Finance Management Sector Working Group which includes Government and development partners. Denmark has been

providing funds for the audits of selected flows within Ministries, Departments and Agencies since 2006 under the general budget support mechanism. Support is also provided for audits at the district level, through the Local Service Delivery Programme. Independent oversight functions within the state, civil society and media are supported under the Governance Programme. The proposed support to GIFMIS and the channelling of funds to the joint pooled arrangement with WB, DFID and EU is in line with Danish strategies and priorities for support to PFM activities.

Programme description
The GIFMIS project will be implemented under the direction of a Project Directorate already established in the Controller and Accountant General's Department (CAGD). The first component of GIFMIS, PFM information systems, has sub-components (a) Financial Accounting, Budgeting, and Reporting Systems, (b) HR and Payroll Systems and, (c) Budget Planning Tools and Systems; and the second component, Business Processes and Financial Controls provides necessary structures to ensure system functionality is appropriately used by government ministries departments and agencies (MDAs). The third component is the Project Directorate.

When fully implemented, GIFMIS will serve as the single source system for official budget creation and management, cash and treasury management, and financial control and reporting for the country as a whole. The GIFMIS system will utilize a new harmonized chart of accounts for all financial transactions throughout the country. A modern technical infrastructure will be upgraded to implement the new system. This infrastructure includes electronic data transmission systems (WAN/LAN) as well as environments for servers and desktop PCs and related storage and disaster recovery systems.

Sustainability
The GIFMIS project sustainability is assured by Government's continued high level commitment to the Public Finance Management evidenced by the Deputy Minister of Finance chairing of the GIFMIS Steering Committee and active participation in PFM reform activities generally. GoG also has committed to providing the recurrent costs of the project, after implementation, in its national annual budgets; and the establishment of an exit strategy for development partner support. Government has ensured through project design, that GIFMIS project is managed by public servants, with support from consultants only when necessary. This will ensure the building of internal capacity and continued availability of staff to move on with the reforms, even after project completion.

Proposed outputs/outcomes and indicators
1. Improved macro-fiscal discipline and management as shown by budget ceilings linked to outer year forecasts for all MDA spending (% of total budget)
2. Improved MDA and sectoral management shown by MDAs that implement annual classification of program, sub-program and activity classification (number)
3. Improved financial management, control and efficiency shown by (a) completion of review and update of FM legislative and operational framework; (b) Reduction of domestic payment arrears (c) Internal Audit Staff trained in Computer Aided Audit

Techniques (CAATs) (number); (d) Treasury sites connected to GIFMIS (number); and (e) MDAs preparing budgets on Oracle platform (number)

Cross cutting issues
The GIFMIS project does not integrate the three cross cutting issues directly into it. However, its implementation will enable better reporting on both outputs and outcomes. Ministry of Finance is currently leading a trial with gender based budgeting and lessons learned will be made available for the GIFMIS programme.

Budget
The budget shown below, indicates contributions from four participating partners in the joint pool arrangement, will be disbursed without earmarking, based on the annual work programme.

Contributing partner	Amount (DKK millions)	Amount (USD Millions)	% Contribution
United Kingdom	74.85	12.27	20.4
European Union	91.81	15.05	25.0
World Bank	173.48	28.44	47.2
Denmark	27.0	4.43	7.4
Total	367.16	60.2	100.0

Management and Organisation
The four participating development partners will pool their contributions to finance project activities without earmarking. The details of the pooling arrangements, funds flow, and related coordination arrangements such as joint monitoring of progress, common financial reporting/procedures for procurement, commitment, disbursement and audit have been defined in a Memorandum of Understanding. GoG has approved Denmark's participation and Denmark will shortly sign an Addendum to this MOU with GoG, as part of procedures for joining the GIFMIS joint pool.

Institutional and implementation arrangements for GIFMIS build on and strengthen existing structures. The GoG has set up a PFM Reforms (Revenue and expenditure) Steering Committee (GSC) whose role is to provide strategic and policy direction on the implementation of the GIFMIS project. Membership of the Committee will include the four participating DPs. The Committee will have general powers to oversee project policies, reviewing of proposals for GIFMIS roll-out, capacity building and reform sustainability arrangements, and post-completion activities. There will also be a Project Director who will head the GIFMIS component implementation at the CAGD. He will have adequate devolved powers to ensure that project implementation runs smoothly and is coordinated (between components; between MDAs, MMDAs and Districts) and implementation is well sequenced and not held up by administrative bottlenecks. In coordination with the Director of Budget and the Controller and Accountant General, the Project Director will lead eight thematic implementation teams. As part of teams directly supporting the project director in his overall coordination of the project's implementation, the project will draw upon independent consultants, along with a CAGD team of experienced technical advisors who will be providing advice.

Monitoring, Reporting, Reviews and Evaluations

Progress will be assessed on a semi-annual basis with annual progress reports measuring results against development objectives frameworks. Appraisal of the joint pooled fund account will be carried out through annual audits of the financial records of the participating development partners' contributions and joint external independent performance audits.

Risks, Probability and Mitigation Measures

Risks	Probability/ Impact	Mitigation Measures
Ambitious objectives to be implemented at lower levels of government with weak capacity, in a short time span, possibly delaying implementation.	Possible/ moderate	Mitigation of this risk is through competency development of staff involved in implementation. A major part of the GIFMIS project involves building technical capacity of staff at all levels, having recognized that the slow pace of past reforms in this area (including BPEMS) has been mainly the result of the human element not receiving the required attention. In addition, GoG intends to implement a national capacity development strategy which would target such critical staff. This activity will be well monitored during the project lifetime. Project management skills/capacity of the implementing unit will be monitored throughout project life.
Government's commitment to PFM, while strong, risks being weakened if the current political drive and commitment is not sustained.	Possible/ Moderate	As project implementation across MDAs is planned to be completed within the current democratic political cycle, the risk of roll-back will be mitigated particularly with the expected visibility of benefits to the government.
Less adequate PFM Laws, Regulations, and procedures.	Possible/ Minor	GIFMIS provides for a review of some PFM Laws, Regulations, and Procedures that have a bearing on the successful implementation of the project – removing conflicting provisions.

Annex A – Budget

Million DKK	2010	2011	2012	2013	2014
MDBS Base tranche		80	72	64	40
MDBS Performance tranche		20	18	16	15
Total MDBS (annual)		**100**	**90**	**80**	**55**
GIFMIS	**7.0**	**7.0**	**7.0**	**6.0**	**0**
Audits, studies/reviews etc.		1.5	1.5	1.0	1.0
Total Annual Disbursement	**7.0**	**108.5**	**98.5**	**87.0**	**56.0**
Total Cumulative	**7.0**	**115.5**	**214.0**	**301.0**	**357.0**

Annex B

Programme budget by component and by calendar year in US$

	2010	2011	2012	2013	2014	Total
Component – MDBS						
- Denmark		16.4	14.75	13.11	9.01	53.27
- Partners[1]		273.3	259.7	121.5	n/a	654.5
- Others						
Component – PFM						
- Denmark	1.147	1.147	1.147	1.0	0	4.43
- Partners[2]	6.97	13.94	13.94	13.94	6.97	55.76
- Others						
Technical assistance						
- Denmark						
- Others						
Subtotal						
Unallocated funds						
Other costs (reviews, etc.)		0.25	0.25	0.16	0.16	0.82
Contingencies						
Grand total	**8.117**	**305.037**	**289.787**	**149.71**	**16.14**	**768.78**

Notes
Exchange rate of DKK 6.1 = USD1.

1 This table does not reflect the full flow of funds from MDBS DPs. Some DPs are in the process of developing programmes which are yet to be approved by their headquarters. (Denmark expects approval by October 2010. For DFID, there is no agreed programme in place for 2011 onwards; agreement expected by end of 2010. AFDB allocations assume an equal disbursement over 3 years. For Switzerland: an agreement is in force for 2009 – 201; indicative allocations for 2012 and 2013, subject to the conclusion of a new bilateral agreement. For Japan, the allocation for 2011 is indicative and subject to approval of Govt of Japan, although current levels of allocation is foreseen. Level is allocation for 2012 – 2013 speculative at this point.

2 This assumes an even flow of funds from GIFMIS contributing DPs over the four year implementation period. Funds flow will however be based on a GIFMIS annual work plans.

List of supporting documents

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