

# Japan's ODA to Ghana: Expected Role of PFM Support

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## GRIPS PFM Seminar Series

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1. Concept and approaches to PFM reform (1): From a bottom-up viewpoint (by Mr. Masami Sugimoto)
  2. Concept and approaches to PFM reform (2): From a top-down viewpoint (by Mr. Takao Ozaki)
  3. Japan's PFM reform as an internalization process of NPM (by Mr. Masato Inagaki and Mr. Satoshi Inohana)
  4. Case study (1): Evaluation of SIDA-supported PFM reform in Mozambique (by Mr. Ron McGill & Mr. Luke Gander, Crown Agents)
  5. Case study (2): A recipient view of multi-donor supported PFM reform in Ghana (by Mr. Alhassan Iddrisu)
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## About Ghana

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- ❑ Population: 20.7 million (WB 03)
  - ❑ GNI per capita: US\$380 (WB 04)
  - ❑ Growth rate: 5.2% (avr. 02-04)
  - ❑ Literacy rate, female: 36% (98/99) → 42.5% (2003)
  - ❑ GPRS II (2006-2009): completed in Nov.2005
  - ❑ Top 5 donors: World Bank, UK, EU, Canada, Netherlands
  - ❑ Japan's ODA to Ghana: approx. 30 million/year (01-03)
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## Japan's ODA to Ghana

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- ❑ Formulation of Japan's new Country Assistance Plan (CAP) for Ghana
    - Sept. 2004 – March 2006 (main work completed)
    - Joint work by field-based ODA TF and Tokyo TF
  - ❑ New CAP aims to **re-orient Japan's aid, in light of the new aid environment (esp. 2001 ~ ), and maximize its development effectiveness.**
    - Key changes from current CAP (2000)
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## Ghana's Development & Aid Environment

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- Active development partnerships
    - Ghana Poverty Reduction Strategy (GPRS, GPRS II) as a common guiding principle
    - New aid modalities: MDBS (10 donors), SWAs, aid alignment & harmonization, **multi-donor PFM support**.
  - Enhanced HIPC Initiative
    - Smaller Japan's ODA in Ghana: largest bilateral donor → 6th bilateral donor
    - Shift of aid composition: loans → grants & technical cooperation
- Need for sharper focus, greater alignment & predictability of Japan's ODA

## Expected Role of PFM Support in New CAP to Ghana

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- Goal: Poverty reduction through economic growth
  - Two pillars of Japan's assistance
    - Accelerating rural development
    - Promoting industrial development
    - plus:** Strengthening public administration
- Policy alignment to GPRS II
- Selection of development agenda with strategic focus
- Linking field-based experiences to policies and institutional development (**← PFM as a key to vertical programming**)
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# Programmatic Approach Role of PFM Support

