

KEY NOTE ADDRESS

BY

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MINISTER OF FINANCE AND ECONOMIC PLANNING

AT THE OPENING CEREMONY

OF THE

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4TH ANNUAL COLLABORATIVE AFIRCA

BUDGET REFORM INITIATIVE

(CABRI) ACCRA, GHANA

13TH _ 15TH DECEMBER, 2007

Mr. Chairman,
Hon. Minister of State,
Executive Secretary of CABRI,
Directors of Budget of African Countries,
Budget Officials,
Distinguished Participants,
Ladies and Gentlemen,

It is, indeed a great pleasure and a privilege for me to give the key words at the opening ceremony of the 4th CABRI Seminar being held in Accra for the first time. On behalf of the Government and the people of Ghana, I wish to welcome you all to this country and assure you of the proverbial Ghanaian hospitality during your stay.

2. I also want to indicate that Ghana is honoured by the fact that CABRI decided to choose our nation to host this year's seminar for senior budget officials from member countries in Africa in a year that Ghana is celebrating its Golden Jubilee anniversary when much is expected of those who chart the course of the societies' economic affairs.

3. Let me humbly remind you Budget Officials assembled here that you are recognized as part of the group that much is expected of, to deliver on societal aspirations.

4. Mr. Chairman, I say this merely to make the point that this morning I find myself as a Minister of Finance and Economic Planning in the midst of Officials who are properly placed to assist politicians and Governments to make and implement the right choices of policies and programmes to ensure sustainable development in our various countries .

5. Mr. Chairman, it is significant to note that apart from the main objectives set out by CABRI, the Initiative also seeks to build up a body of practical experiences and lessons, to facilitate political support for budget reforms and expand the existing knowledge of what does and what does not work by making explicit the understanding that African officials have of reform modalities.

6. It may be recalled that the first CABRI seminar held in South Africa in 2004 focused on budget credibility, multiyear budgeting,

improving the quality of expenditure and reform design and implementation. These issues were explored in terms of the budgeting practices and procedures of participating countries as well as the success achieved and the obstacles that still need to be overcome from the perspective of the budget officials.

7. Mr. Chairman, the second CABRI seminar held in Maputo in 2005 also had its theme 'Managing the Complexity; from Fragmentation to Co-ordination' with focus on co-coordinating recurrent and capital spending, donor co-ordination, harmonization and alignment" decentralizing public functions to public agencies, entities and bodies, and the role of the legislature in policy, budgeting and oversight.

8. The third seminar held in Addis Ababa in 2006 was also under the theme 'Managing the Gap, from Policies to Budgets'. It is gratifying to note that Ghana presented a paper at this seminar on the topic, 'Tools for Challenging the Budget' which covered the various structures and processes adopted by Ghana to scrutinize budgets of Ministries, Departments and Agencies during budget preparation.

9. Mr. Chairman, the budget is the single most important management tool for the government to, implement its policies and programmes.

10. However, the budgets of most African Countries have many challenges. Notable among the challenges are

- a. the high donor component of the budget of most African Countries
- b. The low revenue base
- c. The performance of the economies of the developed countries which have telling effects on the management of the budgets of African Countries among others.

11. As Directors of Budgets of African Countries the efficient allocation of resources to meet competing demands of our teeming population to better their lots is a daunting task that must be confronted headlong.

12. It is therefore imperative that African Directors of Budgets embrace and share the ideal among themselves to be able to meet the aspirations of their people.

13. I am therefore encouraged by the existence of CABRI and the annual meetings of the Directors of Budgets to brainstorm on the reforms that are taking place in the African Countries.

14. Mr. Chairman, I wish to shift my attention to the theme of this fourth CABRI seminar which is captured in a question and I quote 'Are we asking the right questions? Embedding a medium term perspective in budgeting'.

15. By implication, Mr. Chairman, a wrong question will receive a wrong answer, but taking a closer look at the issues to be deliberated upon in the coming three days, I am more than assured that the questions are right.

16. What we have to do in the days ahead is to get the right answers to enable us make progress in our reform agenda. I am

aware that issues relating to Legacy systems and legal framework practice in the Francophone and Anglophone traditions will be discussed.

17. Another issue which will be discussed will be the mobilization of domestic revenues where participants will focus on managing resource flows from commodity booms, tax policy and administration, and solving medium-term fiscal policy puzzles.

18. Other sessions will discuss issues on addressing incrementalism and expenditure rigidities where the focus will be on personnel policy, pay and capacity, capital budgeting and interrogating baselines and setting expenditure ceilings while the much-talked about issue of 'putting aid on budget' will be addressed appropriately.

19. It is worthy to note that the discussions have been framed to reflect concerns on both revenue and expenditure and I commend the organizers for focusing on the two sides of the equation.

20. Mr. Chairman we expect that the knowledge gained at this seminar will go a long way in reshaping the thinking of senior budget officials gathered here that will greatly enhance the reform process.

21. I will therefore entreat you to take this meeting seriously and far reaching recommendations that will advanced the lot of our people and take them out from the poverty trap that most of the people find themselves.

22. Mr. Chairman may I once again welcome all participants to Ghana and do hope that you will come back in January next year to cheer the Ghana Black Stars up to win the CAF Cup during the Ghana 2008 football tournament.

23. I wish you God's guidance and fruitful deliberations.

Thank You.

