Statement by Jannes Hutagalung
Date of Meeting: March 30, 2000

Ghana: Country Assistance Strategy

We would like to welcome today’s discussion of the second part of the Country Assistance Strategy for Ghana, which underlines the business strategy of the World Bank Group. We also commend the staff for adopting a participatory approach in preparing this CAS on the basis of CDF principles. We hope that this strategy, formulated with better knowledge about the activities of all partners, will help the Bank deepen its focus in its operations in Ghana in the coming days based on comparative advantage.

We found the staff assessment on Part I of the CAS very interesting and candid. We think that this assessment could serve as an important input to Ghanaian authorities in preparing the second version of Ghana-Vision 2020 and the formulation of the PRSP. In this regard, we can broadly support the several elements of concerns shown by the staff in areas such as macroeconomic performance, privatization, education capacity, decentralization, and roads.

As we stated during the discussion of the country’s Development Strategy for Poverty Reduction, given the resource and institutional bottlenecks of the country, a strong political commitment, the full participation of the people and support from development partners will all be indispensable for achieving the goals set forth in the poverty reduction strategy. Similarly, as experience suggests, being an agrarian economy, rural development through accelerated agriculture growth, supported by rural infrastructure and rural credit, will be the right strategy to reduce poverty in Ghana. We also feel that a greater prioritization and deepening of focus by the Government and the partners under CDF, will be key in achieving these goals.

With regard to issues suggested for Board discussion in the President’s Memorandum, we would like to offer following comments:

1. Based on past performance, the main results of the Client Survey, consultation with civil society, and the Country Assistance Evaluation, we found the World Bank Group’s proposed
support to the Government’s poverty reduction strategy appropriate and adequate. In this regard, we endorse the proposed changes envisaged in the upcoming CAS with a more direct focus on poverty reduction.

2. Yes, CDF-payoff is apparent in the proposed program with a possibility of greater selectivity and a more focused intervention of the Bank Group based on comparative advantage and improved donor collaboration. However, CDF-payoff will very much depend on how the authorities handle emerging challenges, such as capacity weakness, systematic engagement of the civil society and the private sector in policy debate, HIV/AIDS, anti-corruption, decentralization, domestic political commitment, and external shocks.

3. We think that the CAS focuses on the right themes and it seems that an attempt has been made to strike the right balance in lending and non-lending services and in the role of the Bank, IFC and MIGA.

4. We think that the CAS has adequately tried to consider country implementation risks. However, the document fails to mention specific risk mitigation measures. We would appreciate staff elaboration on this.

5. With regard to triggers for the lending program, which would be based on fiscal performance, portfolio performance, structural reforms, liberalization of Cocoa marketing, and effectiveness in education, we feel that they are appropriate.

Finally, we would like to endorse the CAS and wish the Ghanaian authorities success in their development endeavors. We also would like to support the proposed Urban V credit to the Republic Ghana, which supports the CAS’s goals of higher private investment and poverty alleviation.