



# 2006 Survey on Monitoring The Paris Declaration

## Country Chapters

## GHANA

**T**he 2006 Survey on Monitoring the Paris Declaration was undertaken in 34 countries that receive aid. The results of the survey are presented in two volumes. **Volume 1** provides an overview of key findings across 34 countries. **Volume 2** presents the baseline and key findings in each of the 34 countries that have taken part in the survey. This chapter is based primarily on the data and findings communicated by government and donors to the OECD through the Paris Declaration monitoring process. A more detailed description of this process, how this chapter was drafted and what sources were used is included in Volume 1, Chapter 2.

Both Volume 1 (Overview) and Volume 2 (Country Chapters) of the 2006 Survey on Monitoring the Paris Declaration can be downloaded at the OECD website:

[www.oecd.org/dac/effectiveness/monitoring](http://www.oecd.org/dac/effectiveness/monitoring)

A second round of monitoring will be organised in the first quarter of 2008 and will be an important contribution to the Accra High-Level Forum on Aid Effectiveness in September 2008.

# 14 GHANA

GHANA'S PEOPLE, NUMBERING AROUND 21 MILLION, subsist on an average annual income per head of just USD 380 (gross national income in 2004). At the time of the last household survey in 1998-99, some 45% of the national population fell below the dollar-a-day international poverty line. Ghana has endorsed the Paris Declaration; it is a country where the effectiveness of aid is of the highest concern to both the government and the donor community. Net official development assistance (ODA) to Ghana in 2004 was USD 1 358, representing 16% of gross national income. A total of 15 donors responded to the 2006 baseline survey, accounting for 89% of official aid flows to Ghana.

DIMENSIONS	BASELINE	CHALLENGES	PRIORITY ACTIONS
Ownership	Moderate	Operationalisation of the Poverty Reduction Strategy is incomplete, with activities not monitored.	Improve budget execution and reporting.
Alignment	Moderate	Government lead and information capture is weak in some areas.	Prepare a government initiative on capacity development. Improve reporting and accounting for aid.
Harmonisation	Low	Harmonisation is uneven across sectors and donors, with some major areas of weakness.	Adopt programme-based approaches with common procedures in more sectors.
Managing for results	Moderate	Good poverty data is not matched by good data on budget execution/ activities.	Improve budget execution and reporting.
Mutual accountability	Moderate	The aid effectiveness matrix is only a first step.	Demonstrate that monitoring commitments can change behaviour.

OVERVIEW  
Box 14.1  
Challenges  
and priority  
actions

## OWNERSHIP

OWNERSHIP IS CRITICAL TO ACHIEVING DEVELOPMENT RESULTS and is central to the Paris Declaration. It has been defined as a country's ability to exercise effective leadership over its development policies and strategies. Achieving this – especially in countries that rely heavily on aid to finance their development – is not a simple undertaking. Nor, of course, can it be measured by a single indicator. For donors, it means supporting countries' leadership, policies, institutions and systems. This is commonly referred to as "alignment" (see below). Donors are in a better position to do this when governments set out clear priorities and operational strategies (the main focus of Indicator 1 of the Paris Declaration).

INDICATOR 1

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According to the World Bank's Aid Effectiveness Review (AER), the government of Ghana takes overall leadership in co-ordinating development assistance. Specifically, the Ministry of Finance and Economic Planning – whose role has been enhanced by the multi-donor budget support initiative – oversees the work of 18 sector partner groups. Some of these are better established than others, and the government role in them varies. Over half are convened by ministries and meet regularly, but there are some that meet infrequently or consist only of donor representatives. Since 1999, when Ghana was one of the pilot countries for the Comprehensive Development Framework (CDF), Consultative Group (CG) meetings have been held in the country. Since 2006, annual CG meetings are timed to align with the country's budget cycle.

Indicator 1 of the Paris Declaration measures the extent to which a country has an operational development strategy to guide the aid co-ordination effort and the country's overall development. The score for Indicator 1 is based on the World Bank's 2005 Comprehensive Development Framework Progress Report. In the CDF's terms, an operational strategy calls for a coherent long-term vision and a medium-term strategy derived from it; specific targets serving a holistic, balanced and well-sequenced development strategy; and capacity and resources for its implementation. Ghana is considered to have some of these elements and not others, and is consequently placed, along with 58% of the countries covered, in category C of the CDF descending scale running from A to E. Only countries in categories A or B are considered to have an operational strategy.

Ghana's policy framework is strong on vision and medium-term objective setting. Despite recent progress, however, it remains weaker on operationalisation and the provision of resources needed for implementation by means of functioning linkages to the national budget process. Since the mid-1990s, Ghana's National Development Planning Commission has been responsible for preparing both long-term and medium-term national plans.

These planning processes, and equivalent exercises down to the district level, are constitutional requirements. Although their form and content has changed under the different administrations of Presidents Rawlings and Kufuor, a constant factor is that the government of Ghana believes it provides the basic framework for the country's development policies. Two successive Ghana Poverty Reduction Strategies (GPRS I and GPRS II) have been prepared within that context.

Whereas GPRS I was affected by a presidential change, GPRS II has benefited from the continuity provided by Kufuor's election for a second term. It has, for example, more comprehensive linkages with a range of carefully prepared sector strategies. The second Poverty Reduction Strategy (PRS) sharpens the emphasis of the first on economic growth and infrastructure (and policies to promote them), while maintaining a focus on social investment. However, the document has some limitations as a holistic, balanced and well-sequenced strategy. As the AER notes, there are significant gaps in its coverage of factors seen as key to long-term growth, such as public sector reform. Government activities are not yet fully prioritised, and a framework for tracking implementation and results has not been completed.

The GPRS's lack of prioritisation at the activity level has undermined its use as a guide to resource allocation. Some costing of targets has been done, however, and since 2002 allocations to PRS priority sectors have been increasing as a share of the budget. PRS annual progress reports are highlighting budgetary implications, and efforts are now being made in the annual budget hearings to ensure that the budget estimates from each ministry and public agency draw on these reports. These are important steps towards an efficient allocation of available resources that enable implementation of the strategy. However, for this objective to be achieved, it will also be necessary to make headway on budget execution, so that agreed resources are delivered and applied in a reliable way for the agreed purposes (see country systems below).

## ALIGNMENT

ALTHOUGH GHANA AND ITS DONORS have put in place a number of the elements necessary to align aid with country policies and systems, this process remains incomplete in some important respects. On the one hand, country systems still fall short of providing a robust framework into which aid can be easily integrated. On the other hand, donors will need to step up their efforts if the Paris Declaration commitments on alignment are to be fully realised in Ghana.

### BUILDING RELIABLE COUNTRY SYSTEMS

The World Bank's Country Policy and Institutional Assessment (CPIA) gives Ghana a current score of 3.5 for the quality of budgetary and public financial management, which is barely above the average for International Development Association (IDA) countries. The AER reports that although public financial management is improving, significant obstacles persist. While budget estimates are increasingly linked to the government's objectives, they must be translated fully into appropriations, expenditure authorisations and cash releases if implementing agencies are to plan on a reliable basis. The Ministry of Finance and Economic Planning needs more staff to oversee and check up on the budget submissions and utilisation of funds by line ministries and agencies. The AER calls on the government to conduct regular internal and external audits, and to clear a major backlog of audit reports. The government plans to use the results of a recent public expenditure and financial accountability review to address this and a number of other deficiencies in fiduciary arrangements.

Procurement is a particular area of concern, although a numerical score for Indicator 2b (an assessment of the quality of the procurement system) is not currently available. In 2003, the government introduced new rules governing procurement as well as a competitive bidding law governing the procurement of goods, services and works (Public Procurement Act 663). These changes will usher in greater trust of external partners in the country systems in Ghana.

### ALIGNING AID FLOWS ON NATIONAL PRIORITIES

Ghana's Poverty Reduction Strategy provides a basis for external partners to align their support in a general way with the country's policies. With few exceptions, major donors have affirmed their commitment to the strategy and base their planning on it. The Ghana Partnership Strategy (agreed at the November 2005 CG) also reinforces alignment. It includes a results matrix that spells out how external partners' activities are aligned with the GPRS. Building on this, work is being done on the preparation of a Ghana Joint Assistance Strategy (G-JAS) for 2007-10.

### Are government budget estimates comprehensive and realistic?

	Government's budget estimates of aid flows for FY05 (USD m) a	Aid disbursed by donors for government sector in FY05 (USD m) b	Baseline ratio* c=a/b (%) c=b/a
African Dev. Bank	53	67	79%
Canada	34	37	93%
Denmark	41	45	92%
European Commission	158	35	22%
France	13	31	40%
Germany	77	58	74%
Global Fund	0	21	0%
Japan	0	43	0%
Netherlands	94	55	58%
Spain	21	15	72%
Switzerland	7	8	84%
United Kingdom	79	103	76%
United Nations	8	31	26%
United States	62	65	95%
World Bank	337	331	98%
<b>Total</b>	<b>985</b>	<b>946</b>	<b>96%</b>

\* Baseline ratio is  $c = a / b$  except where government's budget estimates are greater than disbursements ( $c = b / a$ ).

INDICATOR 2a

INDICATOR 2b

INDICATOR 3  
Table 14.1

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The World Bank, European Commission, African Development Bank, United Kingdom and Netherlands intend to integrate their development co-operation country strategies fully with the Joint Assistance Strategy, while Canada, France, Germany, Switzerland, United States and Japan, as well as the UN agencies, with different programming cycles, expect to be closely associated with it.

One of the obstacles hindering joint country programming in Ghana is the difficulty of reflecting donor financial commitments fully and accurately in the national budget. This is the aspect of alignment measured by Indicator 3 of the baseline survey. The objective of Indicator 3 is to increase the credibility of the budget as a mechanism for governing actual allocation and utilisation of development resources – an important criterion for making alignment a reality rather than a loose principle. To this end, it seeks to encourage a reasonable degree of congruence between how much aid is reported in the budget and how much aid is actually disbursed. In doing so, it recognised that the formulation of the budget is a central feature of the formal policy process. So the degree to which donor financial contributions are fully and accurately reflected in the budget provides a relevant indicator of the degree to which there is a serious effort to align aid with country policies and policy processes and to be transparent.

The table provides government's budget estimates of aid flows for fiscal year 2005 (numerator) as a percentage of aid disbursed by donors for the government sector for the same period (denominator). This ratio tells us the degree to which there is a discrepancy between budget estimates and actual disbursements. The discrepancy can be in two directions: indeed budget estimates can be either higher or lower than disbursements. In order to have a single measure of discrepancy that is always less than 100%, the ratio is flipped when budget estimates are higher than disbursements.

The baseline value for Indicator 3 in Ghana is 96%. Achieving the target agreed in Paris of 98% (halving the gap) for this indicator will require efforts by donors and government.

According to the survey return, the possible reasons for these discrepancies include insufficient reporting to the Aid and Debt Management Unit of the Ministry of Finance and Economic Planning (in the case of the major discrepancies) and the use of different exchange rates (in the case of some of the smaller variations). In addition, disbursements for projects do not always occur within the year for which they were intended. As one donor notes, "Disbursements rely on implementation progress which mainly depends on government partners in charge of the project." Furthermore, direct budget support is not always fully disbursed within the fiscal year. It seems clear, however, that stakeholders will need to look closely at the realism of the budget and its reporting of donor funding.

#### CO-ORDINATING SUPPORT TO STRENGTHEN CAPACITY

Capacity constraints significantly undermine the ability of country systems to capture and co-ordinate aid flows more effectively. The Paris Declaration commits donors to providing more co-ordinated support to capacity development under country leadership, with a target of 50% provided in this form by 2010. The survey indicates that currently 40% of reported technical assistance is considered co-ordinated in this sense, which would imply quite a small gap to close during the years to 2010.

This result poses an important question for the implementation of the Paris Declaration in Ghana. As the survey return notes, in answering this question donors made their own interpretation of the meaning of the phrase "co-ordinated programme under government leadership". At one extreme, some interpreted it

INDICATOR 4  
Table 14.2

How much technical assistance is co-ordinated with country programmes?

	Co-ordinated technical co-operation (USD m) a	Total technical co-operation (USD m) b	Baseline ratio (%) c=a/b
African Development Bank	0	2	0%
Canada	1	5	29%
Denmark	0	1	0%
European Commission	0	11	0%
France	0	4	0%
Germany	2	13	18%
Global Fund	0	0	--
Japan	15	15	100%
Netherlands	0	18	0%
Spain	0	0	--
Switzerland	1	1	38%
United Kingdom	1	3	27%
United Nations	7	14	46%
United States	32	63	51%
World Bank	12	23	50%
<b>Total</b>	<b>70</b>	<b>174</b>	<b>40%</b>

as including any technical assistance agreed with government, while others followed the rigorous definition suggested by the survey guidance materials, which focuses on the extent to which there are government-initiated programmes that donors can support. It seems clear from the survey report that, in these more rigorous terms, the bulk of the capacity development work in Ghana remains uncoordinated. The technical assistance component of the health and roads sector-wide approaches (SWAs) are the most likely exceptions, and the comprehensive programme for capacity building in economic management now in preparation may prove to be an exception in the future.

In keeping with the survey's emphasis on the development of country-specific criteria, GTZ (the German international co-operation organisation) and the UNDP have initiated a discussion within the local donor community of possible appropriate criteria for Ghana. The GTZ and UNDP discussion paper says in part that almost every technical co-operation effort by donors is

linked to the GPRS, and that this means that the criterion of government leadership is not a good distinguishing feature. However, this would only be true if the GPRS incorporated a fully developed component on public sector capacity development, which is not yet the case. The re-launching of Ghana's Public Sector Reform Programme may in due course help guide government policy in this area, but the scope of this initiative is not yet clear. Ghana and its partners need to have further and more focused discussion if the Paris Declaration target on co-ordinated capacity development is to be reached.

#### USING COUNTRY SYSTEMS

Indicator 5a is a measure of the use of three components of country public financial management systems by donors. According to the survey data, the average rate of utilisation across the three components is 62%. Given Ghana's moderately high Country Policy and Institutional Assessment (CPIA) score for public budgetary and financial management, the average should rise to 75% by 2010.

INDICATOR 5  
Table 14.3

How much aid for the government sectors uses country systems?

	Aid disbursed by donors for government sector (USD m) a	Public financial management				Procurement	
		Budget execution (USD m) b	Financial reporting (USD m) c	Auditing (USD m) d	Baseline ratio (%) avg (b,c,d) / a	Procurement systems (USD m) e	Baseline ratio (%) e / a
African Dev. Bank	67	22	22	22	33%	22	33%
Canada	37	32	29	29	81%	34	90%
Denmark	45	4	25	25	40%	25	56%
European Commission	35	35	35	35	100%	35	100%
France	31	10	8	8	28%	28	89%
Germany	58	40	40	40	70%	40	70%
Global Fund	21	21	21	0	67%	21	100%
Japan	43	4	4	4	8%	4	8%
Netherlands	55	53	53	53	96%	53	96%
Spain	15	0	0	0	0%	0	0%
Switzerland	8	7	7	7	86%	7	86%
United Kingdom	103	95	77	45	70%	93	90%
United Nations	31	1	8	2	12%	2	8%
United States	65	2	2	2	4%	2	4%
World Bank	331	328	249	256	84%	123	37%
<b>Total</b>	<b>946</b>	<b>653</b>	<b>581</b>	<b>530</b>	<b>62%</b>	<b>491</b>	<b>52%</b>

In Ghana, project funding does not use the national budget execution system. After the signature of credit agreement or financing agreement, a stand-alone account is opened in any commercial bank with government-authorized signatories. The Controller and Accountant general usually requests that the Bank of Ghana open the account. The project management unit operates the account. After a draw-down of revolving funds which are credited to the account, they make direct request for replenishment. The account is not linked to the consolidated fund and therefore the funds are captured outside the budget framework and controlled between the project management unit and the donor supporting the project.

Ghana's promising performance is in part a reflection of the growing role of multi-donor budget support (MDBS) in the donors' portfolio. The MDBS programme was initiated by a Memorandum of Understanding signed by the 14 bilateral and multilateral agencies in 2003.

The Netherlands channels approximately 70% of its development assistance through sectoral and general budget support, while the United Kingdom disburses about 50% as general budget support and 25% through sector-wide approaches. The World Bank now provides approximately 40% of its new lending as budget support. These modalities point to an intensive use of country budget execution and financial reporting systems and, to a lesser extent, country audit systems as well.

According to the survey results, 52% of aid for the government sector made use of Ghana's procurement system. This may reflect a positive trend initiated with the 2003 procurement law in which external partners increasingly rely on procurement systems. It also underlines the importance of direct budget support; all MDBS funds are subject to national procurement rules. Although no specific target for further improvement can be set at this stage, the Paris Declaration suggests that donors need to make continued efforts to use reformed systems so that they can be tested and strengthened.

## AVOIDING PARALLEL IMPLEMENTATION STRUCTURES

The Paris Declaration calls for a substantial reduction in the number of project implementation units (PIUs) that are parallel, where appointment decisions and accounting relationships involve the donor alone. The current baseline figure for Ghana is given as 45 such structures. However, the survey return suggests that this number does not reflect the true extent of parallel PIUs in the country. The general pattern is that PIUs may have offices that are physically located within ministries or agencies, and their staff may be formally appointed by the government under an agreement with the donor, but that accountability is not primarily to the government. Staff salaries are above civil-service levels and appointments end with the project.

Some donors are integrating PIUs progressively into the structures of ministries and agencies. The World Bank reports that it is consolidating and progressively integrating the 9 out of its 18 funded projects that have PIUs. In the education sector, a unit consolidating the management of a number of externally financed projects is being integrated in the structure of the ministry. The Ministry of Local Government and Rural Development has created a single Project Coordinating Unit staffed with civil servants. For this momentum to be sustained, the government departments that will assume an increased role in project execution will need to be strengthened. Further study would identify the full extent of parallel implementation structures, while draft guidelines would help mainstream and support government structures.

## PROVIDING MORE PREDICTABLE AID

There is a need to improve the predictability of support and the measurement of performance in this regard. Indicator 7 focuses on the government's ability to record disbursements in its accounting system for the appropriate year. The table looks at predictability from two different angles. The first angle is donors' and government's

## How many PIUs are parallel to country structures?

	Parallel PIUs (units)
African Development Bank	21
Canada	0
Denmark	0
European Commission	4
France	5
Germany	1
Global Fund	0
Japan	1
Netherlands	0
Spain	0
Switzerland	0
United Kingdom	3
United Nations	8
United States	1
World Bank	1
<b>Total</b>	<b>45</b>

combined ability to disburse aid on schedule. In Ghana, donors scheduled USD 887 million for disbursement in 2005 and actually disbursed – according to their own records – significantly more than expected (USD 946 million). The discrepancy varies considerably between donors and is mainly due to late disbursements carried over to 2006 and to delays in implementing programmes. The second angle is donors' and government's ability to record comprehensively disbursements made by donors for the government sector. In Ghana, government systems recorded USD 968 million compared to USD 946 million notified as disbursed by donors (92%), indicating that a proportion of disbursements were not captured, either because they were not appropriately notified by donors or because they were inaccurately recorded by government.

Indicator 7 on predictability has been designed to encourage progress against both of these angles so as to gradually close the predictability gap by half by 2010. In other words, it seeks to improve not only the predictability of actual disbursements but also the accuracy of how they are recorded in

INDICATOR 6  
Table 14.4



INDICATOR 7  
Table 14.5

Are disbursements on schedule and recorded by government?

	Disbursements recorded by government in FY05 (USD m)	Aid scheduled by donors for disbursement in FY05 (USD m)	Aid actually disbursed by donors in FY05 (USD m)	Baseline ratio*	
	a	b	FOR REFERENCE ONLY	c=a/b (%)	c=b/a
African Development Bank	53	97	67	55%	
Canada	34	37	37	93%	
Denmark	41	45	45	92%	
European Commission	158	35	35		22%
France	13	39	31	32%	
Germany	77	17	58		22%
Global Fund	0	2	21	0%	
Japan	0	43	43	0%	
Netherlands	77	81	55	95%	
Spain	21	0	15		0%
Switzerland	7	12	8	60%	
United Kingdom	79	91	103	86%	
United Nations	8	10	31	80%	
United States	62	65	65	95%	
World Bank	337	311	331		92%
<b>Total</b>	<b>968</b>	<b>887</b>	<b>946</b>	<b>92%</b>	

\* Baseline ratio is  $c = a / b$  except where disbursements recorded by government are greater than aid scheduled for disbursement ( $c = b / a$ ).

government systems – an important feature of ownership, accountability and transparency. In Ghana, this combined predictability gap amounts to USD 81 million (8% of aid scheduled for disbursement). Closing this predictability gap will require donors and government to work increasingly together on various fronts at the same time. They might work at improving:

- the realism of predictions on volume and timing of expected disbursements;
- the way donors notify their disbursements to government;
- the comprehensiveness of government's records of disbursements made by donors.

This may become easier as the proportion of budget support increases, as one of the reasons given for the current discrepancies is that disbursement of project funds is highly dependent on progress in implementation. On the other hand, the use of variable tranches based on performance is likely to remain a factor in the predictability of budget support. Finally, whatever the choice of aid modalities by donors, it is clear that a vigorous effort will be called for to carry out the measures discussed at recent Consultative Group meetings for improving the level of information capture by the government's systems.

#### UNTYING AID

INDICATOR 8

According to OECD data covering 94% of 2005 commitments, 90% of aid to Ghana is untied. A study, commissioned by Canada on behalf of Ghana's Harmonisation Working Group in 2006, sought to advance the issue of the tying status of bilateral aid to Ghana through a data-gathering and analysis exercise. The study examined desk reviews, interviews and questionnaires to assess the tied/untied status of 2004 disbursements and compared this with 2004 commitments from the Creditor Reporting System database. The working group has agreed to further monitor disbursements (rather than commitments) for this indicator, as a basis for reviewing progress in Ghana.

## HARMONISATION

AID IS INCREASINGLY BEING ALIGNED with country policies and systems in Ghana, and the outstanding obstacles have been clearly identified. There also seems to be an emerging donor consensus on aspects of aid harmonisation. Those providing support to the government sector are harmonising programme-based approaches (PBAs) and sharing missions and analytical work. This should provide a platform for actions to reduce aid fragmentation through specialisation and delegation, and improve internal incentives for collaborative behaviour, both important Paris Declaration commitments not directly covered by the survey.

### USING COMMON ARRANGEMENTS

The proportion of reported government sector aid using PBAs and hence employing common arrangements is currently reported as 53%, reflecting almost equal volumes of direct budget support and support to joint programmes within particular sectors. However, this proportion reflects a more inclusive understanding of what constitutes a programme-based approach than the one suggested by the survey guidance.

It is unclear how many of the listed programmes (other than the health sector-wide approach) include a process for harmonising donor procedures for reporting, budgeting, financial management and procurement, and efforts to increase the use of local systems, for example. The survey return points to the need for more study to determine the proportion of flows that fully meets the four specified identifiers of a PBA.

The true baseline is therefore somewhere below 53%, and reaching the Paris Declaration target for 2010 (66%) will be correspondingly harder to achieve. Encouragingly, stakeholders are taking some steps in the right direction. For example, the World Bank and the International Fund for Agricultural Development are harmonising the timing of their disbursements and the closing of their respective rural development projects. The roads strategy involves annual joint reviews. Plans are under way to merge implementation arrangements and prepare for sector-wide approaches in education and agriculture, and for the establishment of a common basket for private-sector development.

### How much aid is programme based?

	Budget support (USD m) a	Other PBAs (USD m) b	Total (USD m) c=a+b	Total disbursed (USD m) d	Baseline ratio (%) e=c/d
African Development Bank	22	0	22	67	33%
Canada	32	3	35	41	87%
Denmark	4	10	14	49	28%
European Commission	31	4	35	87	41%
France	8	1	10	32	30%
Germany	8	2	10	60	17%
Global Fund	--	21	21	21	100%
Japan	0	10	10	43	23%
Netherlands	12	39	51	71	72%
Spain	0	0	0	15	0%
Switzerland	7	1	9	12	74%
United Kingdom	45	32	77	112	69%
United Nations	0	12	12	32	38%
United States	2	72	74	74	100%
World Bank	123	48	172	332	52%
<b>Total</b>	<b>296</b>	<b>256</b>	<b>552</b>	<b>1 047</b>	<b>53%</b>

INDICATOR 9  
Table 14.6

INDICATOR 10a  
Table 14.7

How many donor missions are co-ordinated?

	Co-ordinated donor missions (missions) a	Total donor missions (missions) b	Baseline ratio (%) c=a/b
African Dev. Bank	3	9	33%
Canada	1	57	2%
Denmark	5	8	63%
European Commission	9	10	90%
France	3	23	13%
Germany	3	11	27%
Global Fund	0	2	0%
Japan	0	22	0%
Netherlands	5	14	36%
Spain	0	0	--
Switzerland	3	10	30%
United Kingdom	8	11	73%
United Nations	18	37	49%
United States	0	10	0%
World Bank	44	112	39%
<b>Total (discounted*)</b>	<b>66</b>	<b>336</b>	<b>20%</b>

\* The total of co-ordinated missions has been adjusted to avoid double counting. A discount factor of 35% has been applied.

INDICATOR 10b  
Table 14.8

How much country analysis is co-ordinated?

	Co-ordinated donor analytical work (units) a	Total donor analytical work (units) b	Baseline ratio (%) c=a/b
African Dev. Bank	1	3	33%
Canada	1	5	20%
Denmark	0	0	--
European Commission	3	10	30%
France	0	0	--
Germany	0	0	--
Global Fund	0	0	--
Japan	0	0	--
Netherlands	1	1	100%
Spain	0	0	--
Switzerland	2	5	40%
United Kingdom	4	5	80%
United Nations	11	15	73%
United States	0	0	--
World Bank	2	3	67%
<b>Total (discounted*)</b>	<b>19</b>	<b>47</b>	<b>40%</b>

\* The total of co-ordinated analysis has been adjusted to avoid double counting. A discount factor of 25% has been applied.

## CONDUCTING JOINT MISSIONS AND SHARING ANALYSIS

The baseline figure for co-ordination of donor missions is 20%. The absolute numbers of missions are very large, meaning that efforts to meet or exceed the target are certainly justified. Donors in Ghana have adopted a mission-free period between 15 September and 15 November each year in an attempt to rationalise missions and reduce their disruptive effects on the regular business of government.

Joint analytical work is also becoming more common, and the baseline proportion is as high as 40%. The UN system accounts for a large proportion of joint exercises. Others include assessments of the public financial management and procurement systems using the country financial accountability assessment, the public expenditure and financial accountability assessment, and the country procurement assessment report methodologies, involving several donors in each case. The MDDBS group has commissioned an evaluation of the programme, and further analytical inputs are likely to be produced collaboratively for the Joint Assistance Strategy. External partners have posted at least 23 documents on the multi-donor international website for country analytical work ([www.countryanalytic-work.net](http://www.countryanalytic-work.net)). The Paris Declaration target of 66% of analytical work done jointly seems within easy reach in Ghana, even allowing for some measure of over-counting of the current level of jointness. Government and donors are exploring the opportunity of establishing a more ambitious goal against this target.

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## MANAGING FOR RESULTS

THE PARIS DECLARATION urges partner countries and donors to work together to manage resources on the basis of desired results, and to use information to improve decision making. This means both strengthening the capacity to undertake such management and helping to increase the demand for a focus on results. Indicator 11 targets one component of this effort, the establishment of cost-effective results-oriented reporting and assessment systems by the country.

Ghana is not among the group of IDA countries judged to have a “largely developed” results monitoring system according to the World Bank’s CDF Progress Report. It falls in category C of this assessment, along with the 42% of the sample that have some but not all of the elements of such a system. This reflects particular strengths and inadequacies in three areas: the quality of the available development information, the degree to which stakeholders have access to it, and the extent of co-ordinated monitoring and evaluation of the country’s development efforts.

The AER reports that the availability and quality of poverty-related data are improving. The formulation of GPRS II was guided by the series of surveys and censuses carried out by the Ghana Statistical Service and its partners, including a new Demographic and Health Survey, and a Poverty and Social Impact Analysis. However, there is more of a problem with data on intermediate outcomes because different ministries and agencies use different data collection systems, creating inconsistencies and time lags. Reporting on a number of different sets of indicators for a number of strategies and programmes – GPRS, multi-donor budget support and the Millennium Development Goals – is straining an already weak information management system. Yet action to harmonise demands on the system through a streamlined PRS results matrix is still at an early stage.

Most importantly, the inadequacies of the financial accounting system, noted above, mean that it is not possible to report on activities and outputs in relation to the objectives declared by ministries and agencies, hence it is difficult to hold them accountable for their performance.

These data limitations are reflected in the content of monitoring instruments such as the GPRS Annual Progress Reports (APRs). These reports are nonetheless quite widely disseminated by the National Development Planning Commission, with outreach activities including radio broadcasts and government vans with displays and video presentations. Members of Parliament have shown interest in debating the findings of APRs, although this has been limited by the fact that the reports have not usually been formally tabled in Parliament. Co-ordination of the country’s monitoring and evaluation system will be hard to achieve for some time and stakeholders will see only limited benefits until the financial data gaps are narrowed. (However, co-ordination at the sector level has already proven possible and beneficial in the health area.)

INDICATOR 11

## MUTUAL ACCOUNTABILITY

**INDICATOR 12** THE PARIS DECLARATION calls for donors and partner countries to be accountable to each other for the use of development resources, and in a way that strengthens public support for national policies and development assistance. This in turn requires governments to improve country accountability systems and donors to be transparent about their own contributions. Indicator 12 seeks to establish whether there is a country-level mechanism permitting joint assessment of progress in implementing agreed commitments on aid effectiveness, including those in the Declaration itself.

Such a mechanism does exist in Ghana. At the November 2005 CG meeting, the government and external partners agreed on an Aid Harmonisation and Effectiveness Matrix, which sets out country outcomes for each of the 12 Paris Declaration indicators and actions which the government and partners will undertake to achieve them. A core working group (composed of two government officials and a representative set of multilateral and bilateral donors) identified individual agencies to spearhead actions in different fields of aid effectiveness. The group meets monthly to monitor progress. In addition, the 2006 survey (which was facilitated by a local think tank, the Centre for Policy Analysis) has brought alignment and harmonisation issues to the forefront.

The government of Ghana's commitment to this process is reflected in its membership in the DAC's Joint Venture on Monitoring the Paris Declaration and its offer to host the next High-Level Forum on Aid Effectiveness in 2008.

## BASELINES AND TARGETS

THE TABLE BELOW presents the 2005 baselines and the targets for Ghana. The baseline values are taken from the discussion above, which draws on various sources of information. The main source is the baseline survey undertaken in Ghana under the aegis of the National Co-ordinators (Helen Allotey and Agatha Gaisie-Nketsiah).

Table 14.9  
Baselines  
and targets

INDICATORS	2005 BASELINE	2010 TARGET
1 Ownership – Operational PRS	C	B or A
2a Quality of PFM systems	3.5	4.0
2b Quality procurement systems	Not available	Not applicable
3 Aid reported on budget	96%	98%
4 Co-ordinated capacity development	40%	50%
5a Use of country PFM systems (aid flows)	62%	75%
5b Use of country procurement systems (aid flows)	52%	Not applicable
6 Parallel PIUs	45	15
7 In-year predictability	92%	96%
8 Untied aid	39%	More than 39%
9 Use of programme-based approaches	53%	66%
10a Co-ordinated missions	20%	40%
10b Co-ordinated country analytical work	40%	66%
11 Sound performance assessment framework	C	B or A
12 Reviews of mutual accountability	Yes	Yes

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## ACRONYMS

AER	Aid Effectiveness Review
APR	Annual Progress Report
CDF	Comprehensive Development Framework
CG	Consultative Group
CPIA	Country Policy and Institutional Assessment
G-JAS	Ghana Joint Assistance Strategy
GPRS	Ghana Poverty Reduction Strategy
IDA	International Development Association
MDBS	multi-donor budget support
ODA	official development assistance
PBA	programme-based approach
PIU	project implementation unit
PRS	Poverty Reduction Strategy
SWAp	sector-wide approach