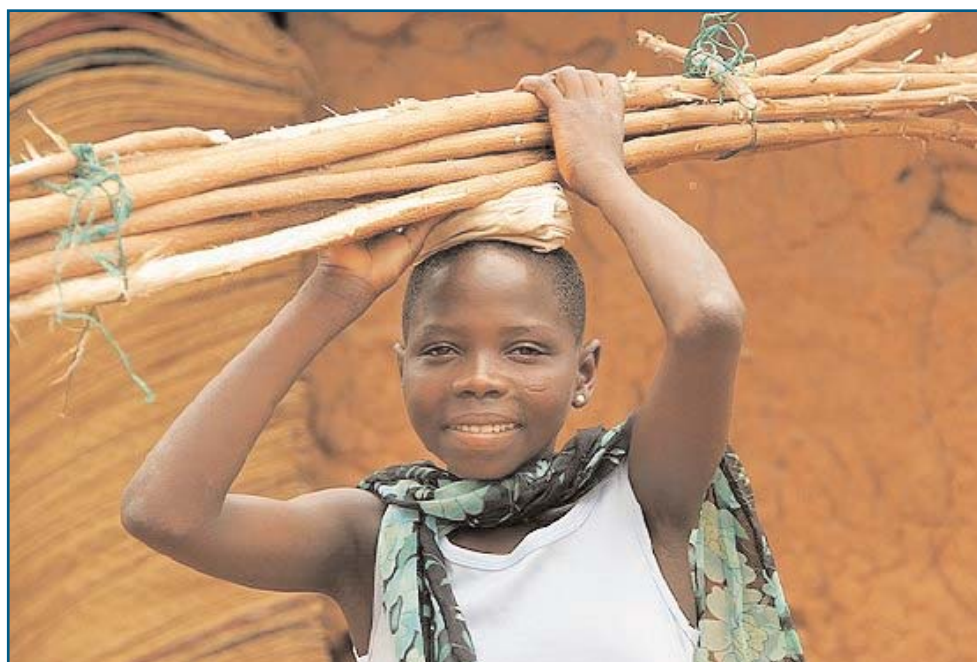


**EVALUATION OF DFID
COUNTRY PROGRAMMES:
COUNTRY STUDY
GHANA
2000-2005**

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Country Study: Ghana 2000-2005

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The team was greatly assisted by the Head of Office and all the staff of DFID Ghana. However, full responsibility for the text of this report rests with the authors. In common with all evaluation reports commissioned by DFID's Evaluation Department, the views contained in this report do not necessarily represent those of DFID or of the people consulted.

PREFACE

This evaluation of DFID's Ghana country programme is one of a series of regular Country Programme Evaluations (CPEs) commissioned by DFID's Evaluation Department. The studies are intended to improve performance, contribute to lesson learning and inform the development of future strategy at country level.

The evaluation was carried out by a team of independent UK, Dutch and local consultants led by ITAD. The process was managed by Iain Murray, Lynn Quinn and Shona Wynd of Evaluation Department (EvD). This study is part of a wider, rolling programme of evaluations of DFID's work in Asia and Africa.

The study period focused on DFID's programme during the period 2000-2005. The evaluation was carried out between August and October 2005. This included a one week inception visit carried out by EvD and a two week field visit carried out by the consultancy team. The field visit included interviews with DFID staff, local stakeholders and key partners.

In accordance with EvD policy, considerable emphasis was placed on involving the country office staff during the process and on communicating findings. They were invited to discuss findings at a workshop during the evaluation, offered written comments on the draft reports and participated in a seminar discussing the findings previous to the final draft.

Ghana has been one of the most stable countries in West and Central Africa in recent years. Despite significant regional inequalities, it is one of only eight African countries on track to reach the poverty MDG target.. DFID has played a major role in Ghana's development. The programme's added value can be summarised in three parts. **First**, the programme was configured to respond to the 1997 UK White Paper on aid. The PRSP/MDG initiatives, Monterrey Consensus and Rome Agreement were internalised into the country strategy and provided a clear vision from an early stage that enabled DFID Ghana to seize opportunities to lead or work with development partners. **Second**, DFID's team individually and collectively have earned the respect of their peers. The MDBS process has facilitated a high level dialogue on policy objectives for future reforms with government and among other donors. **Third**, DFID's programme is innovative. Continued funding of smaller and long running programmes alongside budget support and speedy access to financial aid have enabled DFID to engage in difficult areas.

Key study conclusions include:

- DFID's successful move into general budget support was facilitated by a combination of clear policy direction from London, strong advisory presence in Accra and active harmonisation efforts by the office as a whole.
- One of the core successes of the programme has been in forestry. Progress has come because the programme was flexible enough to be innovative and take risks, and long lasting enough to endure
- The change from field offices to a decentralised Ghana office has brought gains. However, the shift to upstream policy and budget support has reduced the time spent in contact with sector programmes and service delivery.

- The slow pace of migration towards budget support in education has enabled a constructive balance between policy dialogue and technical assistance
- Silent partnerships with other donors can be a worthwhile strategy but should be introduced with care, especially where DFID has a long history of being a lead partner.

This has been an important lesson learning opportunity for DFID. The usefulness of the study findings are the results of the efforts of many people. EvD would like to acknowledge the contribution made by the evaluation team itself, but also the active and positive co-operation of DFID staff and development partners in Accra.

Nick York
Head of Evaluation Department

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Glossary

ADAR	Agency for Agricultural and Rural Development (USAID supported)
ADB	Agricultural Development Bank
ADDP	Africa Director's Delivery Plan
ADHA	Additional Duty Hours Allowance
AfDB	African Development Bank
APDP	Annual Performance and Development Plan
APPR	Annual Portfolio Performance Review
APR	Annual Progress Report (Annual Performance Review)
AU	African Union
BHC	British High Commission
BPEMS	Budget and Public Expenditure Management Information Systems
BS	Budget Support
BWI	Bretton Woods Institutions
C&AGD	Controllers & Accountant General's Office
CAP	Country Assistance Plan
CBO	Community Based Organisation
CFT	Change Forecast Tables
CHAG	Christian Health Association of Ghana
CIDA	Canada International Development Agency
CPE	Country Programme Evaluation
CS	Civil Society
CSO	Civil Society Organisation
CSP	Country Strategy Paper
CSR	Civil Service Reform
CSWs	Commercial Sex Worker
CWIQ	Core Welfare Indicator Questionnaire
DBS	Direct Budget Support
DDP	Directors' Delivery Plan
DFID	Department for International Development
DHS	Demographic and Health Survey
DP	Development Partner
ESAF	Enhanced Structural Adjustment Facility (IMF)
ESP	Education Strategic Plan
EU	European Union
EvD	Evaluation Department (DFID)
FAO	Food and Agriculture Organisation of the United Nations
FBO	Faith-Based Organisation
FCO	Foreign and Commonwealth Office, UK

FHI	Family Health International
FO	Farmer Organisation
GAC	Ghana AIDS Commission
GAPP	Ghana AIDS Partnership Programme
GBS	General Budget Support
GDP	Gross Domestic Product
GHS	Ghana Health Service
GoG	Government of Ghana
GPRS	Ghana Poverty Reduction Strategy, or Growth and Poverty Reduction Strategy
GTZ	Gesellschaft für Technische Zusammenarbeit (Germany)
HIPC	Heavily Indebted Poor Countries
HIPC AAP	HIPC Public Expenditure Management Country Assessment and Action Plan
ICT	Information and Communication Technology
IFAD	International Fund for Agricultural Development
IFI	International Financial Institution
IMF	International Monetary Fund
I-PRSP	Interim Poverty Reduction Strategy Paper
JICA	Japanese International Cooperation Agency
JRES	Joint Review Education Sector
LAP	Land Administration Programme
MDA	Ministries, Departments and Agencies
MDBS	Multi-Donor Budget Support
MDG	Millennium Development Goals
MIS	Management information System
MOES	Ministry of Education and Sports
MoFEP	Ministry of Finance and Economic Planning
MoU	Memorandum of Understanding
MSHAP	Multi-Sectoral HIV/AIDS Programme
MTEF	Medium-term Expenditure Framework
NACP	National AIDS Control Programme (in GHS)
NDC	National Democratic Congress
NDPC	National Development Planning Commission
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organisation
NRI	Natural Resources Institute
ODA	Official Development Assistance
OPR	Output to Purpose Review
PAF	Performance Assessment Framework

PEFA	Public Expenditure and Financial Accountability
PER	Public Expenditure Review
PETS	Public Expenditure Tracking Survey
PFM	Public Financial Management
PIP	Public Investment Programme
PLWHA	People Living With HIV/AIDS
PoW	Plan of Work
PPA	Participatory Poverty Analysis
PPE	Pro-Poor Expenditures
PPMED	Policy, Programming, Monitoring and Evaluation Department
PRBS	Poverty Reduction Budget Support
PRGF	Poverty Reduction and Growth Facility
PRS	Poverty Reduction Strategy
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
PSA / SDA	Public Service Agreement / Service Delivery Agreement
PSI	Population Services International
PSR	Public Sector Reform
PUFMARP	Public Finance Management Reform Programme
RNE	Royal Netherlands Embassy
SAIC	Staff Appointed in Country (DFID)
SEIA	Social and Environmental Impact Assessment
SBS	Sector Budget Support
SER	Sector Expenditure Review
SG	Secretary General
Sida	Swedish International Development Agency
SME	Small and Medium Enterprises
SWAp	Sector Wide Approach
TA	Technical Assistance or Technical Assistant
TCO	Technical Cooperation Officer
ToR	Terms of Reference
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Fund
UNIFEM	United Nations Fund for Women
UPE	Universal Primary Education
VAT	Value Added Tax
VSO	Voluntary Services Overseas
WB	World Bank

Executive Summary

S1 This report is an evaluation of DFID's country programme in Ghana. It is the third in a round of five country programme evaluations (CPE) commissioned in 2005/06. The evaluation asks two main questions: what was the quality of DFID's programme and processes; and what has the programme achieved?

S2 Ghana has been one of the most stable countries in West and Central Africa in recent years. It has been at the forefront of international attention in the region, and the first to adopt many initiatives. It is one of only eight African countries on track to reach the poverty MDG target, but with significant regional inequalities. Three northern regions are significantly poorer than the south, which enjoys a better endowment of natural resources and historically has been favoured with capital investment and social services.

S3 Aid flows have benefited from HIPC debt relief and donors responded to the 2002 poverty reduction strategy with a programme of budget support that now represents 40 percent of total aid and 10 percent of the government budget. DFID is a long standing major donor and opened a decentralised office in 2002.

Programme content and process

S4 Two strategies have informed DFID's programme during the past five years: the Country Strategy Paper from 1998 to 2001 and the Country Assistance Plan from 2003 to 2005. Both promoted alignment with government policies and a move towards sector and general budget support. This evaluation takes the CAP as being representative of the period as a whole.

S5 DFID's strategic orientation is clear, but the CAP is stronger at reflecting policy from DFID's headquarters than in tailoring those policies to the needs of Ghana. There was extensive consultation with development partners, government and civil society, but the Plan lacks analysis of partners' programmes and DFID's country office resources. Both have implications for programme focus, harmonisation and influence.

S6 The portfolio is broad with a rising financial trend in budget support and human development. It is well aligned with Ghana's poverty reduction strategy and internally coherent. But the broad approach is not well focused. Legacy projects have been slow to close and advisory appointments have driven new programme development. The governance theme has been unduly fragmented with many small operations, although the number of budget lines has reduced in recent years.

S7 The programme has moved upstream towards closer engagement with central agencies and with higher levels of government. DFID staff share concerns expressed by development partners that advisors now lack the contact and interaction with government programmes away from Accra that bring intelligence and insight to inform policy.

S8 DFID's programme arrangements have been stronger on monitoring than evaluation and there are significant gaps to understanding performance and achievements in sector programmes such as health, which can help government inform future policy.

Outcomes and programme effectiveness

S9 MDBS has brought direct benefits to management of the economy and strengthening of pro-poor expenditures. MDBS has produced beneficial effects in the quality of policy dialogue, predictability of funding, harmonization of donor policies, government ownership, and in performance tracking. But the effectiveness of MDBS is being held back by slow progress with public financial management, especially in the downstream parts of the budget cycle, managing fiscal risks and with Civil and Public Service Reform.

S10 Information on performance through the OPR/PCR ratings is patchy without clear trends, owing in part to unsystematic annual coverage. On the whole, the programme has performed below the target ratings of 1 or 2. Analysis by CAP theme shows solid performance in human development, rather mixed in pro-poor growth but with significant strengths in some long-running programmes such as rural infrastructure and forestry, and positive indications in the more recent private sector development programme. Less has been achieved in governance, where public sector reforms have lacked national ownership and political will. The Drivers of Change study in 2004 prompted a better understanding of underlying constraints and the need for a long-term approach.

S11 DFID is an innovator, but prone to act faster than other development partners. A policy decision to shift to a shared health advisory arrangement with the Dutch was rushed into implementation without the support of government or other development partners.

S12 Assessment of achievement against outcomes is hampered by the absence of a results structure in either the CSP or CAP. The individual elements of DFID's performance reporting do not link together well enough to demonstrate how programmes and advisory work contribute to DFID's PSA. Assessment by this evaluation is that DFID's contribution can be rated as 'high' or 'medium' in seven of eight CAP objectives; and high for four out of five relevant categories in the PSA for Sub-Saharan Africa. This is a strong performance.

S13 Movement towards the MDGs, as assessed by the National Development Planning Commission, finds good progress is being made in overall growth. Basic delivery of social services is happening, but tackling intractable problems such as regional disparities, and sharpening the focus of programmes to deal with gender inequalities or to improve rural-urban differences requires a greater focus in policy and detailed attention to service delivery. The major concern is the low performance with respect to reducing the proportion of people who suffer from hunger.

DFID contribution & value added

S14 DFID has made a major contribution to development in Ghana. The added value that DFID has brought can be summarised in three parts.

S15 First, the country programme was configured to respond to the 1997 UK White Paper on aid, and the PRSP/MDG initiatives, Monterrey Consensus and Rome agreement were internalised into country strategy. DFID's value was in having a clear vision from a very early stage and seizing opportunities to lead or work with other development partners to promote these changes.

S16 The second major element has been DFID's team of policy advisers. Individually and collectively they have earned the respect of their peers. MDBS has facilitated a high-level dialogue on policy objectives for future reforms with government but also among donors.

S17 The third element is innovation. Continued funding of smaller and long-running programmes alongside budget support and speedy access to financial aid have enabled DFID to engage in difficult areas. The best example is forestry, which has tackled a major export sector, issues of public sector reform, direct financial benefits to poor communities, issues of governance between traditional authorities and the state, transparency and anti-corruption.

S18 A number of weaknesses have been identified. Two most prominent are the shallow analysis in the strategies and the effects from the move upstream. Neither the CSP nor CAP present a clear rationale for where DFID's support should be concentrated and why. DFID's over-arching objective of poverty reduction does not emerge as a core entry point to guide its involvement. The focus on engagement with central agencies and higher levels of government has moved the programme upstream, but inadvertently distanced the office from sector service delivery within the MDAs.

Lessons and recommendations

S19 Six lessons emerge from this evaluation.

- DFID's successful move into general budget support was facilitated by a combination of clear policy direction from London, strong advisory presence in Accra and active harmonisation efforts by the office as a whole.
- Institutional reforms to the public sector require an explicit approach to dealing with the socio-political aspects of change. Such programmes require a long-term strategy grounded in the development of broadly-based political support.
- One of the core successes of the programme has been in forestry. Progress has come because the programme was flexible enough to be innovative and take risks, and long-lasting enough to endure.
- The change from field offices to a decentralised Ghana office has brought gains. But the shift to upstream policy and budget support has reduced the time spent in contact with sector programmes and service delivery away from Accra.
- The slow pace of migration towards budget support in education has enabled a constructive balance between policy dialogue and technical assistance.
- Silent partnerships with other donors can be a worthwhile strategy, but should be introduced with care, especially where DFID has a long history of being the lead partner.

Recommendations for DFID Ghana

S20 These recommendations are directed primarily towards the preparations of the next CAP. The CPE team argue that some decisions, such as to withdraw from roads, water and forestry should be re-considered as part of a more wide-ranging review.

- DFID's strategy needs to demonstrate how support will contribute to government programmes to tackle hunger.

- Ghana's growth strategy is centred on agriculture. A strategy is needed for the pro-poor growth team to identify how the current resources (programme finance, advisory and programme staff and TA) can be combined and managed to create a coherent programme that links enterprises in the natural resources sector with an export led growth strategy and the private sector in delivering pro-poor growth.
- The fiduciary risks of MDDBS will not decrease if reforms in PSR and downstream PFM are not addressed. For the foreseeable future a prudent strategy is to sequence instruments, using sector budget support for health and education until more progress has been achieved with public financial management and public sector reform.
- Given the macroeconomic stability that Ghana has achieved, consideration could be given to a larger performance element in the MDDBS tranche.
- Analysis of the programmes of other development partners can be used to support an argument for DFID's comparative advantage as a grant-aid donor. Country strategy needs to include a comprehensive plan for the composition and relative contributions of programme finance, advisory support and technical assistance, to achieve CAP objectives.

Recommendations for DFID Palace Street

- An improved set of guidelines and support are required to assist country programmes that consider supporting complex computer hardware and software projects.
- In the light of an increasing share of GBS, DFID should review lessons from across country offices on how best to retain its influence and support to sectoral ministries.

1. Introduction

1.1 This report is an evaluation of DFID's country programme in Ghana. The main analysis deals with the period from 2000 to 2005, but events prior to that period are also taken into account in order to understand the context and factors influencing DFID's approach. The broad objectives are first, to assess DFID processes, using evaluation criteria of appropriateness, relevance, efficiency and effectiveness, and second to examine evidence of impact and sustainability.

1.2 This study is the third in a round of five country programme evaluations (CPE) commissioned in 2005/06. The structure of the evaluation was developed through earlier CPE, in which an increasingly rapid and light approach was tested. The structure consisted of a preliminary country visit by staff of EvD, in order to brief country staff and collect background documents. The main team of four international and two national consultants undertook the evaluation in Ghana over a two-week period. The report is a synthesis of their findings.

1.3 The rapid and light approach constrains the study methodology in several ways. Evidence was collected from three sources: interviews with past and present DFID staff; interviews with officials in government, with partners in other development agencies and from representatives of NGOs and civil society organisations (Annex B); and reviews of file correspondence and programme documents from DFID (Annex C). The limited number of performance reviews and evaluation reports available means this study is not a meta-evaluation. No projects or programmes were visited in the field, no primary data collection took place, and no additional analytical studies were commissioned. The limited extent to which the team has been able independently to verify the evidence needs to be borne in mind when reading the report.

1.4 The study asks two main questions: what was the quality of DFID's programme and processes; and what has the programme achieved? The first is concerned primarily with internal processes within DFID's control. The second examines the development results to which DFID has contributed. An evaluation matrix setting out a checklist of questions that were asked is included at Annex D.

1.5 The remainder of the report is structured as follows. Chapter 2 sets out the context within which the programme was developed. Chapters 3 and 4 tackle the two principal questions, dealing with programme quality and programme effectiveness. Chapter 5 assesses Ghana's development progress. Chapter 6 presents the conclusions, lessons and recommendations from the evaluation.

2. Context

Political, social and economic country context

2.1 Ghana has been one of the most stable countries in West and Central Africa in recent years. It has been at the forefront of international attention in the region, and the first to adopt many initiatives. It was one of the first countries in Africa to gain independence, has a relatively free press, was the first country to sign the Convention on the Rights of the Child, the first country to do a Burden of Disease study, one of the first to adopt the Sector-wide Approach, the first country to receive financial assistance from the Global Fund to fight AIDS, TB and Malaria (GFATM), and one of the first to participate in the Africa Peer Review Mechanism under NEPAD.

2.2 Political stability received a strong impetus from general elections held in December 2000, which brought the New Patriotic Party led by President J.A. Kufuor into power after almost 20 years of the National Democratic Congress led by former President Rawlings.¹ The free and fair process was a landmark development in Africa's politics and was reinforced in the subsequent election in 2004, which returned President Kufuor for a second and last term.

2.3 Since the early 1980s, Ghana has experienced relatively strong economic growth and poverty reduction, which compare favourably with other sub-Saharan African countries. Real GDP growth averaged almost 4.5 percent a year over two decades, reaching 5.8 percent at the end of 2004. Agriculture continues to be the main contributor to growth, with productivity improvements in the cocoa sector leading to more than a doubling of exports of cocoa beans and products. A significant contribution also comes from the service and construction sectors, stimulated by increased bank credit and private inward remittances (mainly from the United States, Canada, and United Kingdom). But there is still a reliance on traditional commodities. Income poverty continues to fall, from about 39 percent in 1998 to an estimated 35 percent in 2004. Ghana is one of eight African countries currently on track to reach the income poverty MDG. However, despite the robust economic expansion, GDP per capita remains low at about USD 380 per annum.²

2.4 In the 1990s, Ghana was struggling with serious macroeconomic imbalances and volatile inflation, triggered by expansive government spending and a deterioration of terms of trade (especially due to rising world oil prices and depressed prices for cocoa and gold). Since 2000, however, macroeconomic management has improved significantly. The government has managed to reduce inflation (though still at high levels) from 23.6 percent in 2003 to 11.8 percent by the end of 2004. Total public debt has also declined substantially, mainly as a result of debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative and fiscal prudence.

¹ 1981-1992 under the PNDC; 1993-2000 under the NDC

² As estimated by the World Bank.

2.5 The gains from agriculture have been concentrated in the centre and south of the country and even in the south these gains have not benefited all categories of farmers since food crop farmers remain the poorest. A long-standing North-South divide, originating in coastal trade and the more fertile and mineral-rich south-central land, but exacerbated by colonial policies that fostered labour migration from the north and favoured education in the south, has left the Upper West, East and Northern regions with lower incomes and poorer human development. The divide remains a challenge for pro-poor growth policies today.

2.6 A striking feature of the economy has been the development of a 'brain drain' of qualified Ghanaians. More Ghanaian graduates migrate to work in OECD countries than from any other African nation. Losses in the health sector are particularly acute with an estimated attrition rate for doctors of 66 percent in 2002 and 74 percent in 2003 (Yaw Antwi-Boasiako, 2005). Some 400 nurses are thought to leave the country annually. The positive aspect of that movement is that private remittances constitute one of the largest sources of external finance for Ghana. Private remittances are larger than the combination of official transfers, official capital, and private capital inflows. In 2004, such remittances amounted to about US\$1.3 billion or 15 percent of GDP, compared with about US\$600 million in official aid flows (IMF, August 2005).

2.7 With an estimated HIV prevalence of 2.2 percent in the 15-49 age bracket (1.5 percent for men and 2.7 percent for women) (DHS, 2003), the AIDS situation in Ghana compares positively with a prevalence of 7.4 percent in all of Sub-Saharan Africa and around 5 percent in West and Central Africa (UNAIDS, 2004). This average masks regional differences as well as higher prevalence in certain groups. The main challenge is to keep the prevalence rate below 5 percent, often regarded as a critical point after which rapid expansion of the epidemic is likely. Awareness about AIDS is very high in Ghana, but that alone is known not to be able to stem an epidemic (GSS, 2004 and UNAIDS, 2004).

2.8 Within the region Ghana's political stability has not been affected by the civil disturbances in Cote d'Ivoire and Togo, despite close links across both borders. Ghana is thus a relatively stable country in the region, and often viewed as a model country in terms of development. While this image has had positive effects on aid flows, foreign investment etc., it also raises expectations about the pace and quality of the country's development process.

2.9 In 1995 The NDC government launched Vision 2020, a strategic plan to transform Ghana into a middle-income country, followed by the first Medium Term Development Plan (1997-2000). It had little impact, being poorly resourced and without continuing political momentum. The change of government in 2000 led to a period of uncertainty about national strategy that was only resolved with the preparation of the first Ghana Poverty Reduction Strategy (GPRS) in 2002, that was adopted as both a strategy and a plan.³

2.10 The GPRS was a growth-led strategy, with the overall objective: 'sustainable equitable growth, accelerated poverty reduction and the protection of the vulnerable and excluded within a decentralized, democratic environment.' Five priorities were identified: infrastructure;

³ An Interim PRSP was prepared for the period 2000-2002.

modernised agriculture based on rural development; enhanced social services; good governance; and private sector development. The strategy was welcomed by donors, but concerns were raised about the need for a clearer recognition of the north south disparities and for a prioritisation of the many issues raised. A second strategy with the same acronym, but more explicitly titled the Growth and Poverty Reduction Strategy was circulated in a final draft during the country visit for this evaluation.

Development assistance

2.11 The positive political and economic environment has contributed to a relatively large donor presence and a rising trend of net development assistance. Total volumes have increased from a steady annual average of around USD 600 million during the 1990s to a rising trend in the past few years. Table 1 shows the nine largest donors up to 2003. One quarter of funds come from IDA. The UK is the second largest with 15 percent.

Table 1 Net ODA flows to Ghana

(\$ Million – current prices)	1999	2000	2001	2002	2003	Total	% of total Net ODA
IDA	198.60	178.89	158.91	76.82	196.63	810	24
UK	91.78	79.91	97.84	123.69	131.25	524	15
USA	40.88	63.34	53.52	68.87	83.93	311	9
Japan	101.75	102.91	34.63	23.55	29.75	293	9
Netherlands	11.80	27.55	114.21	59.58	65.77	279	8
Denmark	38.02	37.16	39.73	51.48	56.7	223	7
Germany	37.60	32.02	23.83	33.98	46.8	174	5
EC	25.63	16.41	18.14	42.44	71.23	174	5
AfDF	15.63	1.59	51.63	39.08	63.71	172	5

Source: OECD-DAC International Development Statistics on line: Database on annual aggregates. Destination of Official Development Assistance and Official Aid - Disbursements (Table 2a)

2.12 Publication of the first GPRS in February 2002, led nine development partners to start the multi-donor budget support programme (MDBS).⁴ The move towards budget support is clearly a break with past aid practice, to move away from fragmented project support that often has lacked a clear link with government policy priorities, towards more programmatic approaches and harmonization of donor interventions. At the same time, it has also been a statement of confidence in Ghana. MDBS currently represents 40 percent of total aid to Ghana, around 10 percent of GoG's budget and 4 percent of GDP. Between 2003 and 2004, total disbursements of MDBS increased from USD 278.9 million to USD 309 million. The two largest contributing donors are the World Bank (roughly 45 percent) and DFID (25 percent).

DFID

2.13 DFID is the second largest donor. Net ODA has increased by 43 percent between 1999 and 2003, reaching a level of USD 131.3 million in 2003 (Table 1). Ghana received on average some 9.3 percent of DFID's total bilateral aid to Africa between 2000 and 2005 (Table 2). DFID ODA to Ghana is higher in per capita terms compared to most other Sub-Saharan African countries.⁵

Table 2: DFID bilateral aid to Ghana, Africa and all countries (£ million)

Country/ Regional Programmes	Ghana	Africa	Africa %	Total
2000/01	69.6	583.3	11.9	1,095.9
2001/02	51.6	496.8	10.4	1,141.3
2002/03	52.9	663.2	8.0	1,340.6
2003/04	58.0	638.9	9.1	1,623.3
2004/05	66.4	833.0	8.0	1,760.8
Total 2000-2005	298.5	3,215.2	9.3	6,961.9

Source: DFID Departmental Report 2005. Annex 1, Table 4

2.14 The change of government in 2000 stimulated a fresh approach by DFID in reaction to the more growth-oriented approach of the incoming administration. At the same time DFID opened a decentralised office in 2002, the portfolio previously having been managed by the West and North Africa Department (WNAD) in London with support from the BHC and field management offices for the health, education and livelihoods portfolios. This move gave DFID a stronger profile within Ghana, which matched the shift from sector projects to more programmatic approaches at sector level and MDBS, and the move towards more upstream phases of the budget cycle and more prominent interaction with the Ministry of Finance and Economic Planning (MoFEP).

⁴ African Development Bank, Canada, Denmark, European Commission, Germany, the Netherlands, Switzerland, UK and World Bank. France joined the MDBS programme in 2004. Japan, the United States, UNDP and UNICEF presently enjoy observer status.

⁵ Ghana receives approximately £3.25 per person, which though exceeded by Malawi at £4.95 per person, is higher than Sudan (£2.66), Tanzania (£2.47), Uganda (£2.47), and Ethiopia (£0.87).

Summary of key contextual issues

- ❖ Ghana has enjoyed relative political stability and a prolonged period of economic growth. It is one of only eight African countries on track to reach the poverty MDG target
- ❖ Three northern regions are significantly poorer than the south, which enjoys a better endowment of natural resources and historically has been favoured with capital investment and social services
- ❖ Ghana has a substantial rate of out migration of skilled labour, but also high levels of private remittances, substantially higher than official aid flows
- ❖ Aid flows have benefited from HIPC debt relief and donors responded to the 2002 poverty reduction strategy with a programme of budget support that now represents 40 percent of total aid and 10 percent of the government budget
- ❖ DFID is the second largest donor and provides 15 percent of net assistance, working from a decentralised office since 2002

3. Programme Content and Process

3.1 This chapter examines the quality of DFID’s programme in terms of strategy, relationships and the composition of the portfolio. It starts with an exploration of how strategy developed and how that responded to the context described above. Next, relationships with government and development partners are examined, followed by an assessment of the portfolio of programmes and projects.

Strategy

3.2 DFID’s strategy in Ghana has been relatively consistent and stable. Two strategies were prepared during the period being evaluated: a Country Strategy Paper (CSP) in 1998 covering the period to the end of 2001. That was followed by a Country Assistance Plan (CAP), written in 2002 for the period up to 2005. The main features of the two strategies are shown in Table 3. The volume of programme resources is set out in Annex H.

Table 3: Strategy evolution

Dates	Strategy	Purpose	Main features
1998 - 2001	CSP 1998	To support Ghanaian national development goals as set out in Vision 2020	<ul style="list-style-type: none"> ● Concentration on a limited number of sectors to provide better (mainly social) services ● Supporting the mainstreaming of the poverty strategy in all budgetary planning ● Supporting sound macro-economic and fiscal management through programme aid
2003 - 2005	CAP 2003	Support the implementation of the Poverty Reduction Strategy	<ul style="list-style-type: none"> ● Strengthen the poverty focus of the GPRS, in particular through its translation into the government’s budget ● Assist with significant improvements in public financial management ● Support progress on the implementation of the GPRS – especially in the enabling environment for pro-poor growth, good governance, human development, sustainable livelihoods and increased production ● Improve the effectiveness of donor support as whole – notably by harmonising procedures and policy through the multi-donor budget support mechanism

3.3 The CSP was evaluated in 2001 and the findings used to develop the CAP. The orientation of the CSP followed the directions set out in DFID's 1997 White Paper. The programme was designed to support government strategy, to move away from projects towards programme aid and to concentrate on a limited number of sectors.

3.4 The CAP took this process further in several key ways. The overall objectives focussed on working to support the GPRS, on improving public financial management and on greater harmonisation with other donors, in response to the Rome and Paris accords.⁶ Development of the CAP was well timed to coincide with the drafting of the GPRS and the opening of DFID's new decentralised office, which brought together teams that had previously been in separate field offices for health, education and sustainable livelihoods. Alignment behind the GPRS prompted the office to organise around four themes: the enabling environment for pro-poor growth; good governance; human development; and sustainable livelihoods and increased production. In June 2005 the pro-poor growth and sustainable livelihoods and increased production themes were merged.

3.5 The CAP has been the cornerstone of DFID's strategy for the greater part of the period under review. The analysis in this report focuses on the CAP and for the purposes of this evaluation the CAP objectives are taken to embody DFID's objectives for the period as a whole.

Strategy assessment

Process

3.6 Development of the CAP started with an evaluation of the CSP, which was seen as a valuable process by country office staff. This 'End of Cycle' study (EME, 2002) produced a report that highlighted areas of strengths and gave guidance to the shape of the future programme. Internal planning was spread over the first six months of 2002. A discussion draft was prepared and went to extensive external consultation with development partners, government and civil society in the July to September period, before being finalised by the end of the year. A new feature of the CAP design was the development of Change Forecast Tables. These were found to be difficult to develop and staff would have liked better guidance from DFID Palace Street (PS).⁷

3.7 Consultations were extensive but started fairly late in the process, and some interviewees viewed the consultation process as primarily about sensitising partners to DFID's policy framework - rather than trying to fit those policies to the needs of Ghana and to coordinate these with the assistance strategies of other development partners. Also, some staff felt that the internal planning period lasted too long, possibly a result of working through the field offices with people being based in London. No changes of substance were made to the proposed programme as a result of the consultation, though the presentation was improved.

⁶ OECD-DAC Rome Agreement, 2002; and subsequent follow-up in Paris, 2005.

⁷ DFID's London Headquarters is located in Palace Street

Content

3.8 The CAP document has many strengths: it builds on the experience during the CSP and is reflective about DFID's contribution; the alignment with the GPRS and migration towards general budget support are clearly presented; there are concise overall objectives and aims for each theme; and some more forward-thinking ideas, such as handing lead responsibility or even management of DFID funding programmes to other like-minded development partners, are introduced.

3.9 As a statement of strategic orientation the CAP is good. As a strategy to guide the programme, there are nonetheless significant gaps. There is little firm guidance about where DFID should and should not engage, not enough to provide a clear test of programme fit, given the broad scope of the GPRS. There is no consideration of the legacy effect of existing programmes, which create an inertia that slows the pace at which the programme composition can be changed. Despite a strong orientation towards a harmonised approach with other development partners there is no analysis of their programmes to help identify opportunities for DFID (like taking the lead in certain sectors or working through other donors in the form of silent partnerships in others). Nor is there any review of the human resources in DFIDG and the implications for advisory support. The shift to MDDBS brought a corresponding rise in the importance of public financial management (PFM) and public sector reform (PSR). The overall and theme objectives overlap. There is no hierarchy of outputs, purpose and goal in the structure of objectives. And last, the main monitoring tool, the change forecast tables, are not closely linked to the programme objectives. This last point is developed further later in this report (see paragraphs 3.36 to 3.38).

3.10 To some extent, these criticisms reflect operational practice in DFID at the time and are not unique to Ghana. But several key decisions were either consequent on the CAP strategy or defined DFID's programming scope under the CAP. For example: the need to enhance public financial management and public sector reform if general budget support is to have influence at sector level; the need to engage upstream in the planning cycle and at higher levels of decision-making; and the appointment or reappointment of advisory staff in specific disciplines. Staffing changes are often driven by processes outside the DFID office and CAP process. Implications for PFM and PSR depended to some extent on negotiated arrangements with other development partners. The nature of the CAP document, a snapshot at a point in time, limits how such issues can be adequately reflected into the strategy

3.11 At the same time the CAP was being developed, a decision was made to appoint a Private Sector Development Adviser in line with the recommendations from the EME 'End of Cycle review', and for a while there was uncertainty about whether a sustainable livelihoods advisory post would be retained. Later during the CAP period decisions included renewal of the Rural Infrastructure Adviser post and the appointments of SAIC economics and social development advisers, and more recently a decision to appoint a second social development adviser to the vacant post and withdraw the health advisor. These staffing decisions affected the shape of the office and arguably were as important if not a greater influence over the programme than the objectives set out in the CAP. A staffing plan, or at least analysis of staff capacity and projections of future demand, would enhance the value of the CAP.

Relationships

3.12 An energetic approach has been followed. The strategy has been to work through the GPRS sector or thematic aid coordination groups, to take the lead or chair when opportunities arose⁸ and to use flexible funds to instigate studies or finance missions and workshops. In interviews, development partners have acknowledged DFID's leading role in budget support, education, health, and the private sector, "Without DFID there would not have been an MDBS". The most tangible benefit of the relationships has been to get development partners to harmonise around government strategies in health, education, agriculture, the private sector and the MDBS.

3.13 In general, a pragmatic approach characterises DFID's actions. Not always leading but working as the silent partner, such as in a new proposal for the Royal Netherlands Embassy (RNE) to join as a silent partner in education. Pooled funding arrangements such as with the World Bank, RNE and Danida in health, or with Danida and World Bank in the private sector have brought the closest relations. But in contrast, the decision to enter into a shared health advisory arrangement with the RNE in 2004 was less successfully managed, and is recognised not to be working satisfactorily yet. It also had a direct bearing on DFID's ability to influence the MoH/GHS, and the period between the withdrawal of DFID's own health adviser and the planned transition to MDBS could be seen as a missed opportunity to support the MoH for this transition

3.14 Relations with the World Bank have been strong, especially over budget support. There is a history of differences in the education sector dating back to an early failure to develop a SWAp. But creative tensions between the two approaches have led to rigorous and productive debate over the education sector plan and during the annual review process.

3.15 DFID is highly respected by government. The relationship has, for example, been described as a "critical friendship" by the ministry of education, but it is not necessarily an easy one. DFID's reputation is a strong one and its influence is based at least in part on an acknowledgement that DFID's skilled in-country advisory support gives it an edge, a view repeated in other sectors.

3.16 Greater attention has been given to relations with civil society since the influential Drivers of Change study. The need to work closer with civil society and strengthen the demand side for public services was recognised in the CAP, and programmes have been developed under the governance theme. But in the human development sectors, with the exception of HIV/AIDS, observers criticise DFID for not doing more to help develop demand for accountability.

Portfolio of activities

3.17 The Ghana portfolio has been extensive with a wide range of activities. A concise summary of the portfolio is complicated because different sources use different time periods or definitions and DFID's MIS classification of broad sector does not map directly to the themes under which the programme is currently organised.

⁸ DFID has been leading 6 of the 16 groups

3.18 Financial data on disbursement give the clearest overview of the portfolio. The largest share of DFID’s support is provided in the form of budget support (BS),⁹ followed by resources spent in the human development sectors, education and health (Table 4). BS provided in the form of programme aid accounted for roughly 50 percent between 2000 and 2002.¹⁰ Since then, poverty reduction budget support (PRBS) has been channelled through the multi donor budget support (MDBS) programme and increased sharply in absolute terms, from £20 million in 2002/03 to £41.7 million in 2004/05 (a “bulge” year for a number of reasons including additional debt relief and recycling old ECGD payments). A further increase in PRBS is expected from 2005/06 onwards, if all performance triggers are met by the government.

Table 4: DFID disbursements of bilateral aid to Ghana, 2000-2006

Item (£'000)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Poverty Reduction Budget Support (% of grand total)	55%	52%	36%	43%	55%	33% (*)
-Disbursed	40,000	8,500	20,000	25,000	41,700	25,000
-Pipeline					(**)	
Pro-Poor Growth (% of grand total)	13%	19%	26%	19%	13%	28%
-Disbursed	9,173	10,302	14,523	10,779	9,833	21,176
-Pipeline						500
Human Development (% of grand total)	21%	24%	29%	36%	28%	32%
-Disbursed	15,555	12,852	15,950	20,563	21,377	19,364
-Pipeline						5,000
Governance (% of grand total)	10%	4%	5%	2%	4%	7%
-Disbursed	7,532	2,145	2,671	1,266	3,510	4,652
-Pipeline						745
Other (% of grand total)	1%	1%	4%			
-Disbursed	575	631	2,335			
-Pipeline						
Grand Total(***)	72,835	54,430	55,479	57,608	76,420	76,436

Notes:

(*) GoG did not meet 3 out of the 12 PAF triggers during the MDBS review undertaken in June 2005. As a result of this only 2/3 of MDBS commitments have been disbursed.

(**) includes £ 6.7 million of HIPC debt relief funds from IFI.

(***) Totals do not agree with Table 2, from DFID Annual Report

Source: For 2000/01 until 2002/03 – DFID Head Quarters Accounting Department. For 2003/04 - DFID-Ghana Office (18 October 2005).

⁹ There are several definitions that can be applied to Budget Support. General budget support (GBS) refers to transfers that are not specific to a particular sector. Sector Budget Support (SBS) are transfers allocated to specific sectors such as Health or Education. DFID generally refers to GBS as poverty reduction budget support (PRBS) in recognition of the policy objective to support the PRSP. In the Ghana context, the term multi-donor budget support (MDBS) is commonly used, referring to a number of donors working together to provide budget support.

¹⁰ BS provided before 2003 included earmarked funding like the reimbursement of teacher’s salaries.

3.19 In the non-budget support part of the programme, activities are distributed with a few large programmes and many small. Health and education each have one major sector programme, plus a number of smaller operations in HIV/AIDS. There have been around 20 programmes or projects in pro-poor growth (which includes water,¹¹ roads and bridges, sustainable livelihoods, and private sector development), ranging from £28 million on feeder roads to £30,000 on the Extractive Industries Transparency Initiative. There have been around sixteen projects under governance, including some dealing with public financial management that might be classified under pro-poor growth.

3.20 Since the late 1990s the Ghana programme has had one hundred budget lines. The number active in any one year rose from 39 in 2000 to 47 in 2003 but has fallen back slightly in 2005. The highest ratio of projects or programmes to budget lines has been in the governance theme, indicating a fragmented portfolio with many small operations. Thirty six of the 96 non-budget support budget lines were commitments of £1 million or greater, the remainder were all smaller than £1 million, and 50 of those were less than £500,000. Progress by the office to consolidate the portfolio, with a reduction to 24 'projects' in 2005, is not well reflected in the current MIS, which records spending on technical cooperation and financial aid separately for the same operation.

Portfolio assessment

3.21 The effectiveness of the programmes is considered in the next chapter. This section asks:

- Was the portfolio of projects sufficiently focused and coherent?
- Were poverty, gender, environment and HIV/AIDS adequately mainstreamed?
- Was the balance between government and civil society right?
- Has monitoring and evaluation been effective?

3.22 The portfolio displays a good degree of alignment with the GPRS and government policy (Annex E, Table 1). Support for agriculture, forestry, land, rural infrastructure, and the private sector tackle the main sources of growth, with elements that increase or support a pro-poor orientation in policy. But the alignment that is evident now belies decisions to exit from Roads, Water and Forestry, decisions that look increasingly questionable now. Health, education and water are directly linked to the MDG human development targets and the programmes include features to redress some aspects of the north-south divide and gender disparities in education.

3.23 Governance is a more complex theme. Public sector reform was recognised as a major issue in the GPRS and people interviewed for this evaluation echo the same sentiments today. Governance issues extend from the roles of democratic institutions in government through the workings of the civil service to strengthening civil society. DFID has engaged in almost all areas. The largest investments were in civil service reform including sub-vented agencies, the implementation of Value Added Tax, attempts to reform

¹¹ Some of the water projects should be classified under health.

the payroll system and monitoring and evaluation of the GPRS. Approaches appear rather 'technical' in content, with little recognition of the underlying political nature of the public sector. Other programmes have dealt with a social protection strategy and more recently a new and larger programme is dealing with civil society rights and voice. In addition to the governance pillar, programmes in water, roads, and forestry have all included substantial elements of institutional development.

3.24 Before 2003, DFID was primarily engaged in the area of PFM through co-financing the large World Bank Public Finance Management Reform Programme (PUFMARP), in particular the design of an MTEF. Generally, the effectiveness of PUFMARP has been described as low owing to a fragmentation of support activities and moving too quickly towards advanced approaches without having the basic government planning and budgeting processes in place. Again technical without a grasp of social and political implications. Since then, reforms in the area of PFM and PSR have been promoted foremost through the MDBS window and have concentrated at the central agency levels of the MoFEP, the NDPC and the Ministry of Public Sector Reform. Greater freedom has been given to government to set the pace and design and finance their own reforms. This has had varying degrees of success. Supplementary technical support in the area of PFM has not yet been sufficiently exploited as a tool to speed up capacity building. DFID has provided TA in the area of procurement, payroll and PSR, but the wider MDBS TA fund has not been implemented. The new pooled funding arrangement for PFM/PSR will be addressing these issues. Also the lessons from the Evaluation of TC Personnel in Ghana (DFID, July 2005) should be considered in this context.¹² Although PFM/PSR reforms have had varying degree of success (see also section 4), a clear change in the approach to PFM/PSR reforms away from technical projects towards working more through/with government through the MDBS window or pooled funding arrangement has led to more ownership and a more coordinated approach of donor assistance.

3.25 The portfolio is comprehensive, covering a wide range of activities. It is fairly coherent, in the sense of being internally consistent, structured around government policies, helping to build systems and capacity. And there is a clear thread of pro-poor orientation throughout the activities. Investment in roads supports work in agriculture by tackling problems of access to inputs and markets. Work with forestry has built institutional capacity, but also strikes at a major export sector where income benefits rural communities and improved procedures stand to confront corruption, conserve the environment, and strengthen democracy. Support for the GPRS has led to poverty and social impact studies, one of which has materially improved the poverty focus of agricultural policy. Support to water deals directly with lack of access to a resource that disproportionately affects the poor. The private sector development work has helped government clarify the role of the state and establish a trade policy. The human development theme deals directly with the health, education and gender MDGs and builds on strong government agendas in each sector.

3.26 But in developing this portfolio the office has become a 'jack of all trades', still active in the historical sectors and eagerly embracing new initiatives. Development partners and

¹² These lessons learnt include, e.g.: an improved consideration of the institutional context, leadership issues, organisation capacity of government institutions, and the right skill set of the TC provider.

government alike comment that while DFID is a pivotal partner, excellent at coordination and leadership, it is very widely spread, trying to be in everything, and as a result in danger of being over-stretched. Working in a wide range of sectors influences GoG expectations about DFID's engagement as the donor of first and last resort. There is little focus. Neither the CSP nor the CAP has succeeded in consolidating the portfolio. Three reasons explain this trend. First, long-running projects such as roads and water take time to exit the portfolio. These cannot respond fast to policy change.

3.27 Second, the means of supporting a sector of interest will affect the way a programme grows. The movement into private sector development is a clear example where the decision to have a dedicated adviser led to development of a new stream of work, that could perhaps have been managed in a different way within the existing pro-poor growth team. But at the time DFID questioned its value added in agriculture and saw private sector development as potentially a more effective way to enhance growth.

3.28 Third, the governance theme is one where there is no national consensus, policies have been slow to emerge and yet institutional development is a need in every sector. Support has been extensive, opportunistic and piece-meal. All are relevant, few carry the policy framework to bring lasting benefits. With the Drivers of Change study in 2004 (Booth et al, 2004) both the fragmentation and the underlying political and social constraints were recognised and plans are being developed for a harmonised fund to tackle the PSR/PFM work.

3.29 One significant trend is a move towards closer engagement with central agencies and with higher levels of government. This is viewed by the office as a major achievement that sets DFID apart from other donors and a direct consequence of DFID's strategy. But as staff in the Ghana office observe, there are real concerns that advisors lack regular contact and interaction with sector programmes away from Accra that brings intelligence and insight to inform policy. Advisory staff are cognisant of a danger that problems are interpreted as PFM/PSR rather than technical issues about sector quality and effectiveness. The office recognises this as a key issue for the next CAP.

3.30 The treatment of **gender** has been uneven across the programme with some successes but mostly performance has been poor. Few of the features of a gender mainstreaming approach, as defined in the 1995 Beijing Platform for Action and strengthened by the 1997 White Paper and Millennium Goals have been in place, such as supporting specific and focused initiatives to enhance women's empowerment. The first draft of the GPRS was notably weak on gender and DFID's social development adviser commented on this to government. Later, DFID supported NDPC to facilitate gender mainstreaming of the new GPRS. The M&E design for the GPRS is well gendered, with a good presentation of disaggregated indicators and a community component with clear gender dimensions. The health sector has performed reasonably well, in part under the pressure of the MDG targets for maternal mortality. DFID supported that by funding maternal mortality audits. The Ghana HIV/AIDS strategic framework tackles women's issues directly and programmes have been designed to empower them, including promotion of the female condom. Girl's education and the gender MDG targets do not have a high priority in government policy. DFID has worked to keep this on the agenda. But in the ESP annual

review of 2004, out of 21 recommendations on equitable access to education, issues around gender parity are mentioned only once and none of the eleven strategies refer to gender issues.

3.31 DFID was instrumental in setting up the Ghana Aids Commission (GAC) and its secretariat under the President's Office, while maintaining support for the National AIDS Control Programme in the GHS. The main objective for GAC is to **mainstream HIV/AIDS** activities into all MDAs. DFID has also directly contributed to mainstreaming HIV/AIDS by supporting teacher training through the HIV secretariat in the MoES, though it is reported that HIV/AIDS is not yet a regular part of the teaching curriculum. Good work on mainstreaming has been done through the Department of Feeder Roads, where institutional development of contracting and labour management has introduced regular HIV/AIDS awareness and condom campaigns. There is a policy for HIV/AIDS in the workplace in DFID Ghana.

3.32 Attention to environmental management by DFID has been slight beyond the mandatory review of programme proposals. Exceptions are the sustainability of growth analysis and DFID support to SEIA of GPRS. DFID has also been instrumental in getting the Environment and Natural Resources development partners group back on track.

3.33 Progress with **monitoring and evaluation** has been constructive in three contrasting ways. First, for the programme as a whole, the decision to review the CSP was good and produced a stimulating report with challenging conclusions and recommendations that were directly relevant to the CAP. Within the three large programmes, MDDBS, health and education there are formal arrangements to review progress. The MDDBS PAF reviews annually the progress in central government policy and budgeting as well as sectoral policy against a pre-determined set of 12 performance triggers and a wider set of policy targets. This assessment forms the basis for the disbursement of the performance tranche of MDDBS. Furthermore, DFID monitors regularly the progress in reducing associated fiduciary risks to providing budget support. A multi-donor evaluation of the effectiveness of MDDBS is planned for mid 2006. Both health and education have annual programmes of joint sector reviews. The education joint sector review is seen as generally improving in scope and quality, while the health joint sector review is considered to be of high quality. The LAP also has a major M&E component.

3.34 The second major area has been direct support to the monitoring and evaluation programme for the GPRS. This large investment (£4.2 million) has been a successful confidence-building initiative. The approach was designed around institutional development in NDPC and central government, to bring sustainability. Three main products have been developed: an Annual Performance Review; five Poverty and Social Impact Assessment reports; and 'Community Voices' a pilot exercise in community-based monitoring.

3.35 The outputs are of a good quality and it is highly creditable that the approach has been so effective. But at the present time it is not sustainable. It is wholly dependent on consultancy inputs and there has been virtually no capacity development within NDPC. There is an urgent need for the system to expand both vertically and horizontally. Vertically upward, to engage more with Cabinet and parliament, downward, to develop capacity and systems within ministries, department and agencies, to collect and use M&E data at their

level. Horizontally, to link to public expenditure reviews and expenditure tracking surveys, that review how the government budget is applied.

3.36 Monitoring and evaluation within DFID's programme relies on two instruments: the mandatory Output to Purpose Reviews (OPR) and Project Completion Reports with performance ratings; and the annual Change Forecast Table indicators. The rules governing the use of OPRs limits their application to projects with a commitment of £1 million or greater, and no review is required during the first year of implementation. These criteria mean that less than one third of Ghana's operations enter the review database.

3.37 The change forecast tables were a new DFID-wide innovation at the time CAPs were introduced. Guidance was limited and country office had the flexibility to decide on their approach. The Ghana team developed a structure based around the risk analysis in the CAP, against which annual targets and indicators were set. This is an innovative and quite sophisticated approach. It takes the perspective that programme objectives are the responsibility of implementers to be reported through programme reviews. The role of the country office is to manage the risks in the programme. CFT reporting has settled down in the office and is reported by staff to be considered a useful exercise.

3.38 But the result of these components is to have created a system that is strong on monitoring but weak in evaluation about development progress. The MDBS triggers and GPRS M&E both report national level information geared towards the state of the economy and progress towards the GPRS and MDG indicators. The DFID OPRs are monitoring tools and cover only a small part of the portfolio, and the CFT indicators are not geared to implementation change. As a result, there is little information that examines what works and why, to feed back to government policymaking. That is evident from the health sector where increased levels of expenditure have been accompanied by falls in MDG indicators, yet there are no readily available explanations.

Summary of findings

- ❖ Two strategies have informed DFID's programme over the period: the CSP 1998-2001; and CAP 2003-2005. Both promoted alignment with government policies and a move towards sector and general budget support. Extensive consultations were held with development partners, government and civil society, but their focus was to inform about DFID policy more than to debate programme content.
- ❖ The strategic orientation of the CAP is clear, but it lacks analysis of the other development partners' programmes and DFID country office resources. Both have fundamental implications for the implementation of DFID's programme, its harmonisation agenda and effectiveness.
- ❖ DFIDG has developed good relations. Development partners regard DFID as a leader in many sectors and the government respects DFID as a, "critical friend". Civil society relations are less well developed than intended in the CAP.
- ❖ The portfolio is broad with a rising financial trend in budget support and human development. It is well aligned with the GPRS and internally coherent. But the broad approach is not well focused. Legacy projects have been slow to close and advisory appointments have driven programme development. The governance theme has been unduly fragmented, although the number of budget lines has reduced in recent years.
- ❖ The programme has moved towards closer engagement with central agencies and with higher levels of government. DFID staff share concerns expressed by development partners that advisors lack the contact and interaction with government programmes away from Accra that bring intelligence and insight to inform policy.
- ❖ Mainstreaming of environmental issues has been poor; progress with gender is better but uneven across the sectors; achievements with HIV/AIDS have been more substantial.
- ❖ There has been some good innovation and success with monitoring and evaluation, providing support and models to government. But M&E of DFID's programme has been stronger on monitoring than evaluation and there are significant gaps to understanding performance and achievements in sector programmes (e.g. health).

4. Programme Effectiveness

4.1 This chapter examines the extent to which programmes and projects have delivered their objectives at output and purpose level. Issues of influence and harmonisation are discussed in the context of each sectoral intervention. Assessing the achievements is difficult for three reasons. First, half of the programme has been budget support (GBS and sector support) for which it is inherently difficult to attribute the contribution by DFID to development outcomes. Second, a major focus of the country programme has been support to core processes of central government, with uncertain linkages to subsequent improvements in service delivery and poverty reduction. Third, there is little evaluation material for DFID's other projects and none for recent activities and those costing less than £1m. The assessment therefore, is strongly influenced by external informants in government and amongst development partners, and by the judgements of past and present DFID staff.

Results

4.2 In view of the structural changes to DFID's programme brought about by an increased channelling of funds through Budget Support and the large fiscal transfers involved, this modality is discussed first. Later sections look at development progress across the programme themes.

Budget support

4.3 DFID's budget support has the goal to enable the Government of Ghana to implement the GPRS with a clear focus on sustainable, pro-poor development. There are three objectives:

- Promoting growth, income and employment
- Improving service delivery for human development
- Strengthening governance institutions and reform of public sector financial management

4.4 It is not possible to isolate DFID's specific contribution to the overall performance of MDBS. But the progress that has been made is set out here under two headings; flow of funds effects and institutional effects.

Flow of funds effects

4.5 Direct effects can be seen in the government's management of the economy, in the role of the ministry of finance and in spending on poverty reduction. Budget support in combination with the IMF PRGF and HIPC savings has backed the GoG's efforts to stabilize the macro-economy. Real GDP growth has been high and inflation controlled. Total public debt has declined substantially and gross international reserves have reached a record high. The Ministry of Finance and Economic Planning (MoFEP) has gained greater control and flexibility over spending. The increasing share of MDBS in government expenditure has brought additional discretionary budget resources, worth about 10 percent of overall government expenditure, which has strengthened MoFEP and Cabinet as drivers of

resource allocation, and changed the relationship with some line ministries. Accountability is shifting inwards and away from donors.

4.6 Poverty spending increased from 4.8 percent of GDP in 2002 to 7.7 percent in 2004 and from 27.97 percent of total government expenditures in 2003 to 28.1 percent in 2004. Budget allocations to the social sectors have increased consistently.

4.7 The pro-poor orientation in MDDBS comes primarily from the performance triggers in the Policy Matrices. The triggers refer to equity and promoting access to social services in deprived districts. For example, education triggers have included: (i) Develop policy to encourage deployment of teachers and health workers to remote and rural areas (PAF trigger-2003), (ii) Remove all government controlled fees and introduce capitation grants for girls in 53 most deprived districts and schools for the disabled (PAF trigger-2005) and (iii) Increase gross primary enrolment in the three poorest Northern regions (PAF trigger-2005). Likewise in health, MDDBS has focussed on increasing the utilisation of health services in the poorer Northern regions of Ghana (PAF trigger-2005). Furthermore, MDDBS has encouraged a rising share of pro poor expenditures (PPEs) over time, again by making it a trigger in the (PAF) in 2003, a2005.

Institutional effects

4.8 Working through MDDBS mechanisms has had effects on transactions, predictability, harmonisation, performance tracking, and on management relations between government and donors.

4.9 One expected benefit was a reduction in transaction costs compared with projects. Available evidence suggests that despite the shift to more programmatic approaches, transaction costs have stayed the same or even increased. Even though budget support has grown in recent years, project aid has also dramatically increased and this trend is likely to hold back further transactional benefits from budget support. Nonetheless, observers consider that the quality of dialogue has progressed significantly and that this mainly arises from the new consultation structures set up within government, and between government and development partners. Furthermore, dialogue and performance assessment structures (i.e. by MDDBS, IMF and World Bank) are increasingly better coordinated. MDDBS for example has provided the opportunity to engage in a more transparent, high-level dialogue with government and in the prioritisation of key structural reforms.

4.10 MDDBS has improved predictability of funding. But donors have used in-year conditionality and have been slower to harmonise over policy matrices and disbursement mechanisms. Until 2005, in-year conditionality has decreased predictability, as the size of the performance tranche is only known half way through the execution of the fiscal year. Furthermore, the World Bank and the EU/Bilaterals have used different policy matrices in 2003 and 2004. The World Bank disburses its PRSC in one tranche on the basis of satisfactory progress against the PAF triggers. In contrast to that, the EU and bilateral donors use two tranches, whereby the performance tranche is disbursed on the basis of the actual achievement of the triggers. In 2003 and 2004 this did not signal any problem but in 2005 the EU/Bilaterals decided that the triggers on energy, payroll and public sector reforms have not been fully met and subsequently decided to not fully disburse the

performance tranche (pro-rata the triggers that were not met). In conformity with its internal procedures, the World Bank however, disbursed its full PRSC allocation. This sends confusing signals and can undermine the effectiveness of MDBS.

4.11 There are also differences between the approaches of DFID and the EC. The June MDBS review is the moment when the performance tranche of MDBS is determined. DFID does not consider this as a clear cut-off point. DFID thus reserves the right to still disburse the withheld pro-rata share of the performance tranche until the end of the year. This is in case government makes further progress against the outstanding triggers. For the EC, however, the findings of the MDBS review in June are a clear cut-off point for their disbursements. Any disbursements that were not made because of the GoG not achieving the triggers are rolled forward.

4.12 The mechanisms developed to manage MDBS have brought a new relationship between donors and government. The MoFEP and the heads of the MDBS pillars on (i) Growth and Private Sector Development, (ii) Human Development, (iii) Governance and PSR, and (iv) Monitoring & evaluation are the main interface with development partners on setting government policy for the next year and related performance targets for MDBS. Sectoral input to this high-level forum has come from the DP-led sector working groups. This action effectively puts the development partners in the 'challenge' role that should be played between MOFEP and line ministries. Only recently have efforts started to involve the PPMEDs of the line ministries more in this consultation process, to strengthen capacity in policy planning and budgeting and monitoring at the MDA level and the links with MoFEP. MDBS has the potential to facilitate discussion between MoFEP and line agencies that is difficult to achieve in a SWAp or project relationship.

4.13 Improved government ownership over the PAF has led to a more realistic reflection of what government would like to be judged upon and expects to achieve. Certainly, it is a difficult process in finding the right balance between a PAF that is owned by government and a PAF that is sufficiently ambitious and provides incentives for reforms (Box 1). A case in point is Civil and Public Service Reform. Despite multiple support programmes for Civil and Public Sector Reform since 1996, progress has been disappointing, largely owing to the lack of political commitment by government. But as Public Sector Reform is crucial for decreasing the fiduciary risks for budget support, development partners have managed to keep PSR as a trigger in the PAF.

Box 1: Performance Assessment Framework – Output or Outcome Indicators? The PAF uses a mixture of output and outcome indicators. Outputs are mainly applied in the context of PFM/PSR and governance reforms, whereas outcome indicators are increasingly used for the social sectors. The shift towards outcome indicators is promoted heavily by the EC. The rationale behind it is that outcome indicators provide the government with more flexibility in the policy mix to achieve the MDGs and encourage government to address cross-cutting issues like HIV/AIDS, gender and the environment. For example, child mortality is as much dependent on the quality of health service as it is on water & sanitation. But the GoG (esp. MoFEP) has expressed concerns about using outcome indicators, as it feels that it does not have sufficient control over them. Too much is felt to be dependent on other factors, which MoFEP feels it cannot influence. Nonetheless, continuing to include outcome indicators in the social sectors would be an important means for DFID to assess whether the GoG is spending enough and delivering in these sectors. This is especially so when DFID moves their health funds to MDBS, thereby losing direct influence on health spend.

4.14 The concerns of government in achieving the outcome indicators also highlight another significant weakness of the PAF indicators; that the PAF has until recently focused on annual target setting. For 2005 the MDBS 2005 Policy Matrix included a more spelt-out three year cycle including objectives and expected outcomes, but previous PAFs were less concrete on the expected outcomes beyond the first fiscal year.¹³ For example, an approach to PAF that is aligned with the medium-term objectives of the GPRS and the multi-annual budget (MTEF) would not only contribute to streamlining MDBS with government policy but also allow GoG to use the policy flexibility it would gain through MDBS outcome indicators – as well as enhance realistic planning of government policy (especially in relation to the PAF). This is an example of where pressures to show annual progress, including in terms of outcome indicators, may be contrary to the best interests of government.

4.15 Effectiveness of MDBS is dependent on efficiency of the public financial management. At the design phase of MDBS in 2002, associated fiduciary risks to budget support have been high. Since then, improvements to PFM and PSR have been a key priority for donors, but success has been limited. DFID's latest Fiduciary Risk Assessment 2005, the Ghana Public Expenditure and Financial Accountability (PEFA) Assessment 2005 and the World Bank's HIPC AAP 2004 clearly highlight that while government has made good progress in establishing a strong legal basis for the PFM system, improving the comprehensiveness of the budget, linking the GRPS to the MTEF, and in financial reporting, challenges remain primarily in the downstream parts of the budget cycle and managing fiscal risks. Accelerated

¹³ Based at least on the two available Policy Matrices for 2003 and 2005-2007.

PFM reform is needed to improve the effectiveness of internal and external expenditure controls, cash management and financial accounting (esp. BPEMS), IT management, accountability, civil/public service reform (esp. payroll management) and decreasing the fiscal risk from parastatals. MDBS has been more effective in promoting reforms in the upstream parts of the budget cycle. Annex E, Table 2 summarises DFID's fiduciary assessments.

4.16 Stronger attention to the downstream parts of the budget cycle, especially to improve the predictability of funding from MoFEP to the MDAs, budget execution, internal and external expenditure control, and legislative scrutiny, is essential to reduce the risks for general budget support and to facilitate the transition from sector to general budget support. The examples below illustrate the reasons for this:

- Even if budgets are allocated according to the MDBS objectives of sustainable, pro-poor growth, it does not mean that budgets are also executed accordingly. While aggregate expenditure outturns have improved over the last three years, at MDA level expenditure outturns have deviated strongly. Reallocations of expenditures between administrative budget lines have contributed to large variances in expenditure composition.
- Un-earmarked general budget support, as is the case with MDBS, tends to finance relatively more recurrent costs (i.e. wages and salaries) than sector support which has focussed on financing non-salary expenditures. If PSR does not manage to address the downsizing and rightsizing of the public and civil service and hence bring the overruns of the wage bills over the past years to a halt, fiduciary risks will not be reduced.
- The coverage of Internally Generated Funds of MDAs in the budget and hence the control of MoFEP over them, is still very limited. MDAs may be reluctant to promote the reporting of the IGFs to MoFEP if they fear that the resource allocation process between MoFEP and the MDAs is ineffective and squeezing, in particular, non-salary expenditures.

4.17 Both government and DPs consider that the leverage of MDBS comes more from the associated high-level policy dialogue in which both partners are engaged rather than the financial implications of the performance-related element of MDBS. Total MDBS accounts for about 10 percent of government expenditures, but only between 2-5 percent captures the performance related element. The cross cutting nature of MDBS clearly brings implications for the role of the economic adviser, and the relationship between public financial management reforms and public sector reforms. It will remain very important to be able to draw on PFM and PSR expertise in the future, to approach both themes in an integrated manner and to facilitate further links with other sector advisory expertise.

Other programmes

4.18 Table 5 presents a summary of all output to purpose ratings from 2000 to 2005. The limitations in DFID's performance reporting have been noted above (see paragraphs 3.33 to 3.38). The total number of reviews is small with a large variation from year to year. In response to pressure from London, an improved compliance with reviews has been seen in recent years, but the proportion of the programme being reviewed is still small. Statistical analysis is meaningless in such a sample, but the results suggest tentatively that overall the portfolio has performed mainly below the target ratings of 1 or 2, with no discernable trend over the years. Performance amongst the pro-poor growth and human development programmes has been better than in the accountable governance portfolio.

Table 5: Summary of Purpose Ratings by Programme Theme

Rating ¹⁴	2000	2001	2002	2003	2004	2005	Totals
Pro Poor Growth							
Rating 1 or 2	-	1	4	3	4	3	15
Rating 3	-	-	-	3	4	-	7
Rating 4 or 5	-	-	-	3	1	-	4
Human Development							
Rating 1 or 2	2	1	3	-	3	-	9
Rating 3	1	1	2	1	1	1	7
Rating 4 or 5	-	-	1	-	-	1	2
Governance							
Rating 1 or 2	-	-	-	-	2	1	3
Rating 3	-	-	1	2	2	-	5
Rating 4 or 5	-	-	-	2	4	1	7
Total	3	3	11	14	21	7	59

¹⁴ Five point scale: 1 – project will achieve all objectives; 2 – likely to achieve most objectives; 3 – likely to achieve some objectives; 4 likely to achieve few objectives; 5 – unlikely to achieve any objectives. DFID's PSA Value for Money Indicator is for a rising proportion of projects to be rated 1 or 2.

Support to policy development and service delivery in targeted sectors

4.19 In **education**, the Education Sector Support Programme (ESSP) has contributed to continually rising net enrolment at primary levels. The evaluation in 2003 concluded that the programme was successful at delivering education benefits to the periphery – to schools and to districts. MDG goal 3 and the Education Sector Plan (ESP) call for the achievement of gender equality as measured by gender parity in primary and secondary school enrolments. But the goal of gender parity has not been the subject of sufficient attention in analysis or planning – it is generally assumed that as Ghana approaches universal enrolment, gender differentials will consequently diminish. *“Closing the gap is in part a function of growing enrolments: when enrolments are 100% there can be no gaps”* (WB OED, 2004:31). The GPI within primary education is creeping up, (reaching 0.93 in 2004 from 0.89 or 0.90 in 98) (DFID RHEP, 2005:4. But, *“gender disparity in enrolments increases with each higher level of the system as female achievement levels decrease and dropout increases”*.

4.20 There has been greater success at increasing enrolment in the three Northern regions *“Between 2001-04, deprived districts have seen faster growth in enrolments than the national average”*. *Upper West and Upper East are likely to meet most targets, Northern region is unlikely to meet any”*. (Education Sector Annual Review 2004). Removal of fees and their replacement with school capitation, which started in 2003-04, is a contributing factor. It demonstrates real commitment and ownership by GoG. The introduction of school capitation for primary, junior secondary and kindergarten schools reflects two major strategic directions: the first of which is explicitly pro-poor, in that it aims to ensure that basic education should be free (capitation will replace levies on pupils); and secondly, that resources should be moved to school level to ensure a more responsive service delivery.

4.21 Institutional strengthening has been gradual. There have been a series of subtle shifts in the way in which finances have been managed which result in MoES being more in the driving seat. The proposed shifts from ESSP to the thinking around the development of SESP illustrate the advantages of a slow and steady approach. The use of a TA budget line is a good example. In ESSP, this was successfully used to put TA into the Ghana Education Service to reduce the risk which initially threatened the programme’s ability to disburse to an acceptable level; under SESP this budget line will be moved from the control of DFID to MoES, now that a better enabling environment has been supported and the potential to build capacity has been demonstrated. Financing systems under the proposed SESP are designed with the potential to form the basis of pooled funding.

4.22 In the **health** sector most of DFID’s support to the Plan of Work (PoW) is channelled through the Health Fund, and as it is jointly reviewed by government and development partners, it is not possible to attribute any particular outcome to DFID. An independent assessment of the PoW-1 in 2001 concluded that *“there had been solid progress over the 5 years”*. The PoW-2 has so far seen 3 external reviews and yearly annual reports of the GHS. Despite all the progress mentioned above and increased resources, the main health outcomes show little improvement, although outputs have improved. The real increase in available funds from both GoG and donor sources has been used to stem internal and external brain drain by increasing salaries and establishing incentive packages to get health staff out to the rural areas. At the same time expenditures for non-wage recurrent costs went down, leaving districts with very little money to deliver services, let alone scale up to levels necessary to make impact on indicators. A case study commissioned by DFIDG as

part of the Drivers of Change work (Killick 2004), showed that effectively only 20 percent of intended funds actually reach the level at which services are delivered a finding of particular concern as monies pooled by the donors in the Health Fund are supposed to go mostly to the districts and below. For **HIV/AIDS** the situation is different, as DFID channelled most of its support for the Ghana HIV/AIDS Strategic Framework through discrete projects. While the OPR in August 2004 found it too early to judge on the achievements, this evaluation found that, with the exception of the DRI component, all the subprojects are being successful in reaching their objectives. But making discrete projects work is a much easier thing to do than supporting GoG to do it for itself

4.23 Performance in the **pro-poor** growth theme has been more mixed. Some strengths come from long running or evolved programmes:

- Support to feeder roads and bridges has brought direct physical improvements to access in farming areas; but, perhaps more importantly, contributed to institutional development of the Ministry of Roads and Transport in its management of contracts and contractors, and to capacity development of small contractors through innovative financing mechanisms.
- Progress has been less satisfactory in water. The Water Sector Improvement Project followed effective prior work in Ashanti and Brong Ahafo, and provided substantial technical assistance but stalled over policy changes by government that failed to implement private sector partnership arrangements in the face of strong opposition by civil society, leaving £7.7 million unspent from a £13.95 million project. But support to the Public Utilities Regulatory Commission has created a facility to oversee access by poorer sections of society.
- Current work in agriculture has been centred on policy development with the ministry. An earlier initiative that started with the Wenchi farming system project and led to a successor Brong-Ahafo Development Support Programme, was far-sighted with direct support for decentralised government through the district assembly and with links to institutional development under the Civil-Service Performance Improvement Programme. This was discontinued as DFID moved away from support to decentralisation. The outputs from policy support have not yet affected field programmes, but pro-poor influence from work by DFID can be traced through the New Extension Policy, Gender and Agricultural Development Strategy and Livestock Development Policy.
- DFID's intervention in the Land Administration Programme has successfully identified the importance of improved management of customary land and shifted the focus of the programme beyond the original imperative of land titling.
- DFID has worked with the forestry sector since the 1980s but engagement has gradually shifted away from technical programmes to broad institutional and governance reform. Change has been slow and hard-won but new policies have led to substantial increases in revenues with a twelve-fold increase in funds going to district assemblies and land-owning communities in five years. New resource allocation policies introduce social responsibility into timber concession contracts which will increase economic returns to communities and will grant rights to farmers for trees on the land they farm. Reforms are at an early stage and will require sustained political commitment and public investment. Box 2 reproduces highlights from a 2004 OPR.

Box 2: Joined-up effectiveness in the Forestry Commission

DFID has been extremely influential and successful in supporting the Forestry Commission (FC) in its efforts to develop new systems and improve administration. Effective integration of 5 former Departments and Agencies into one corporate entity can largely be attributed to the project. In addition, external pressure from the DFID project, World Bank and other donors has served to enable the implementation of new forest taxation policies despite resistance from elements in the private sector. The increase in fees has greatly increased the benefits going back to communities through Stools and District Assemblies and helped to secure a financial base for FC autonomy. The project has also successfully helped the government to introduce transparent competitive processes of resource allocation that is still just getting established.

The project has supported improved oversight of the sector from the Parliamentary Select Committee on lands and forests (whose work has been singled out in Parliament as exemplary), and encouraged engagement with and scrutiny from civil society and from professional bodies. The government and changes in expectations of Ghanaian society (particularly middle class) are contributing to a climate that requires greater accountability and participation by concerned people in decisions and policy-making. The flourishing independent media have focused on forest sector issues in the run up to the elections and this is encouraging greater accountability.

(Adapted from Forest Sector Development OPR September 2004 – Purpose Attribution)

4.24 Assessment of the more recently established support for **private sector development** is harder. The pace of government's policy change has been rapid. DFID assisted GoG to develop the trade policy through the Trade Policy Project. OPRs in 2003 and 2004 found disappointing performance in that and the Business Linkages Challenge Fund. In both cases, difficulties were evident in getting input from stakeholders outside government and in stimulating demand from the private sector. But the advent of a coherent trade policy and commitment brings the opportunity for GoG to prioritise and focus on key strategic sectors. It is too early to assess PSD work on the enabling environment as more time has been devoted to the upfront design of the PSDS strategy and programme, important to building ownership and private sector participation. Some progress can be seen in terms of Business environment reforms including overall GoG commitment to investment climate reform and detailed progress on areas like number of days to register a business, and financial sector reform, some of which is attributable to DFID policy and programme inputs.

4.25 After two decades of support for reforms, the **public sector** was still characterised in 2003 by a bloated unprofessional service; low pay; poor financial management; weak capacities; and poor services.¹⁵ Interventions have often been well-targeted at core issues, such as the payroll (Box 3), but have failed owing to technical and policy shortcomings and a lack of political will. More recent initiatives such as the appointment of a senior minister with responsibility for public sector reform and the National Institutional Renewal Programme (NIRP), and the subsequent creation of a Ministry of Public Service Reform (MPSR) are promising steps. DFID has supported both. Government was drafting a PSR strategy at

¹⁵ DFID brainstorming meeting background note, July 2003

the time of this CPE and DFID is providing active support. The Drivers of Change study highlighted the social and historical factors that inhibit reform.¹⁶ Clearly, any interventions have to be well grounded in political support. And in many aspects of governance, the UK's former position as a colonial power make it desirable that DFID works in partnership with other donors and the UN, if its advice is to be valued as non-partisan.

Box 3: Integrated Personnel Payroll Database (IPPD)

Objective: to strengthen GoG's ability to manage and control human resources and payroll costs in the public service by providing them with a sustainable, modern human resources and payroll system.

Amount: £8.5 million in three separate fundings from 1995 to 2005 (less than 50% spent)

IPPD implementation has suffered setbacks arising from institutional capacity constraints, over ambitious designs and in some cases, poor technical support. The PCR review in 2004 rated the project purpose as unlikely to achieve any objectives. At the end of the DFID Grant, the IPPD system had not been implemented. The government-contracted implementing agents had completed 40% of implementation, the system was not sufficiently tested, and could not be utilised in its uncompleted form. The new IPPD system was not in a position to be utilised by GoG at the end of the DFID Grant period, and the system was shut down by the Controller and Auditor General's Department.

Influence, harmonisation and alignment

4.26 Good evidence can be found for DFID's contribution to influence on policy and donor harmonisation across the programme. Specific examples are:

- A more harmonised approach to multi-donor budget support. This includes not only a new approach to providing financial support but primarily a new joint-approach to high-level dialogue with government and policy objectives of the reform process and expected outcomes. It also has led to a joint performance assessment framework (common PAF for MDDBS);
- Road contracting and labour systems being used by Ministry of Roads and Transport and adopted by other donors;
- Private Sector Development Strategy alignment and donor harmonisation;
- Adoption of a new joint donor framework for pro-private sector M&E linking to the GPRS;
- Emerging poverty focus in the agriculture sector policy;
- Recognition of the importance of access to customary lands;
- A sound education sector plan, aligned with the GPRS and the Fast Track Initiative (FTI) and with a broadly based annual review process which fits with the budget cycle;
- Bringing about a SWAp and joint funding in the health sector; and,
- Focus on addressing inequalities and developing policies which increase access to health care services for the poor and vulnerable, such as exemption schemes and including the poor in the planned insurance scheme.

¹⁶ Booth *et al* (2004)

4.27 But influencing government policymaking, even within a sectoral programme that retains earmarking of some funding, is not easy. The debate between emphasizing a poverty focus or the growth agenda is especially pertinent in the education sector with inconsistencies now evident between the Education Strategic Plan (ESP) and the MoES White Paper. This is a debate beyond the bounds of the education sector – it should not be allowed to totally dominate discussions between DFID and the government and should not perhaps be seen as exclusively an issue for education sector, especially as relationship issues break across sectoral boundaries.

4.28 And not all harmonisation initiatives have worked. The CAP flagged DFID's interests at looking for a shared or delegated advisory relationship. Health was the chosen sector, owing to the capacity of the Ministry of Health and the apparent success of the SWAp, then in its sixth year. But DFID staff criticise the lack of consultation by DFID management in country about the timing and nature of the decision. The CPE team were informed that the decision to withdraw the health advisor went against the specific advice on timing of a consultant adviser and senior staff in the health profession in DFID Palace Street. Stakeholders from within government and among development partners all confirm there was insufficient discussion and little explanation. Some opposed the move in principle; all felt the timing was poor and the views of government inadequately considered. DFID's high quality presence is missed and stakeholders have yet to see it replaced by the Dutch. The MoH sees its pool of 'critical' partners reduced and development partners miss the consensus skills DFID brings.

4.29 According to both government and development partners, the substantial influence DFID had in the health sector all but disappeared with the departure of the health advisor at the end of 2004 – and may become even less when DFID's contribution to the pooled health fund is transferred to MDDBS in 2006. The partnership with the Dutch was independently reviewed in August 2005 (*Kunfaa, 2005*), after which DFID and the Netherlands Embassy (RNE) discussed the concerns raised by stakeholders and agreed on improvements (*DFID, 2005 meeting w/RNE*). Not long after the evaluation, a new Dutch health adviser arrived, offering an opportunity to implement the adapted agreement.

4.30 There is an important lesson here that despite the fact that DFID places a high premium on consultation, harmonisation and influence, these values did not guide management in how this move was approached and implemented.

Effectiveness of different instruments

4.31 So far, different aid modalities have proven effective given different circumstances. This plurality has enabled instruments to match needs and capacity. MDDBS has helped to improve upstream budgetary processes and has promoted donor alignment and harmonization, but has been less successful in promoting reforms in the downstream parts, especially in financial management and control, and legislative scrutiny. Fears of government staff in both health and education about the loss of financial control are understandable when moving from sector to general budget support, especially when inter-governmental negotiation and dialogue structures are still immature. But MDDBS in general can help promoting capacity building in this area.

4.32 Projectised aid in roads, water and forestry, as well as HIV/AIDS, has demonstrated clear and reasonably effective performance. Next to MDDBS, another significant development is the increase in pooled funding, as is used to support the social sectors, the Private

Sector Development strategy, and as currently proposed for use in PFM/PSR. This reduces transaction costs to government, brings donor alignment and fosters harmonisation around defined objectives. It is a logical step towards sector budget support, but provides an entry point where donor policies are less well harmonised (such as in support to the private sector) or where the focus of support is cross-cutting and does not match a specific sector (such as PFM/PSR).

Sustainability

4.33 It is hard to find evidence that would bring confidence about sustainability. The changes to the management of the economy that have brought macroeconomic stability appear to be well grounded in MoFEP. Given the low performance element in the MDDBS it seems likely they are sustainable, even with reduced donor pressure. But this is less clear in the sector programmes. So while work in health and education is grounded in well-owned national strategies, instances such as the fall in performance in health underlie the need to look beyond high level policy into the management and delivery process within sectors. It is unlikely that continuing performance improvements are sustainable without support. It is likely that the public sector institutions in Ghana lack the capacity to sustain reforms post DP intervention and this will remain the case until public sector bodies reach minimum competency standards. A relevant example comes from DFID's work in the Non Tax Revenue Unit, which demonstrates that they are not sufficiently skilled or resourced to perform their function.

4.34 There are reasonable signs that institutional arrangements piloted for feeder roads and bridges are now fully internalised and will be continued. Progress with policy in agriculture has not yet started to affect performance in the sector. The forestry sub-sector faces so many domestic pressures that donor dialogue is probably a necessary feature for the foreseeable future. The main governance programmes in PSR have not effected any significant change and the M&E system for the GPRS is overly dependent on consultancy inputs and is unlikely to be sustainable.

Outcomes

4.35 Assessment of achievements against outcomes is hampered by the absence of a results structure in the CSP or CAP. Table 6 presents the main objectives and four theme aims as set out in the 2003 CAP. None of these objectives are accompanied by any indicators and they are not directly linked to the change forecast areas in the PSA Country Report. The CPE team has made an assessment against these objectives as part of the overall assessment of the country programme. The ratings given are derived from the evidence presented to the team and summarised in this report. Objective evidence to support the judgment comes mainly from the OPRs and progress reported in the GPRS APR.

Table 6: Assessment of impact and DFID contribution by CAP objectives

DFID CAP Objectives	Ghana progress	DFID contribution
Main objectives		
Strengthen the poverty focus of the GPRS, in particular through its translation into the government's budget	M	H
Assist with significant improvements in public financial management	M-	M
Support progress on the implementation of the GPRS – especially in the enabling environment for pro-poor growth, good governance, human development, sustainable livelihoods and increased production	L	M
Improve the effectiveness of donor support as whole – notably by harmonising procedures and policy through the multi-donor budget support mechanism	H	H
Programme theme aims		
Enabling environment for pro-poor growth		
To support the government to create an enabling environment for private sector led, pro-poor growth that enhances poor peoples' ability to effectively participate in markets	M	M
Sustainable livelihoods and increased production		
To improve the livelihoods of poor and vulnerable people and increase their productivity through supporting government-led programmes that address priorities outlined in the GPRS	L	H
Good governance		
To enable government to develop a more effective and democratic governance system which is more accountable to the needs and voices of Ghanaians, particularly the poor	L	L
Human development		
To increase the human capacity of all Ghanaians, especially the poor and vulnerable, through supporting government-led health, education and HIV/AIDS programmes as defined in the GPRS	L	H

Note: Simple four point scale: high, medium, low, and nil

4.36 Notwithstanding the limitations of this approach, the following conclusions can be drawn:

Progress towards CAP main objectives

- Steady progress has been made toward a pro-poor orientation of the budget, through overall expenditure and policy evolution in key sectors. Less progress has been made in managing the downstream budget process and in negotiation between MDAs and MoFEP. The introduction of NETS is starting to bring improvements in the tracking of actual expenditures.
- Uneven progress has been made towards improved PFM, with greater success seen upstream in the budget cycle. There has been less success over improving the predictability of funding from MoFEP to MDAs, budget execution, internal and external expenditure control and legislative scrutiny.
- DFID's programme has consistently worked to improve the policy environment and good governance. Progress with civil service reform has stalled and government has been slow to develop a clear strategy for reforms to the public sector, currently taking place with DFID support. Better success has been achieved at institutional development within targeted sectors.
- Long-running programmes in agriculture and forestry have brought policy improvements and some direct financial benefits to poor communities.
- Support to health and education has been effective at targeting regional disparities.
- DFID has brought strong leadership to donor alignment in key GPRS sectors and has supported harmonisation in others.
- Pro poor focus of GPRS and donor interventions has been supported through GPRS M&E

Progress towards theme aims

- Slow progress has been made to foster the enabling environment. DFID's support has been good, linked to effective economics advice and contributions to public financial management. Pro-poor, private sector led growth has been enhanced through agricultural and forest policy and institutional development and should benefit from the new private sector development strategy but there is no evidence growth is benefiting poorer sections of society.¹⁷
- Progress in improving livelihoods has been low, especially in poorer regions, but DFID's contribution has been well targeted in agriculture and forestry, with supporting investments in rural access.
- Limited progress is being made in governance. DFID's focus has been overly technical and not sensitive to political realities. It is slowly changing to give more voice to civil society and direct support to parliamentary institutions and democratic processes.
- Steady and continuous support to health and education has brought stability and some gains, but also falling performance in health. DFID's support has been strong, but with recent distancing in health.

¹⁷ McKay and Aryeetey (2004)

Contribution to DFID's Public Service Agreement

4.37 The positive contribution of the Ghana programme can be seen from the summary assessment in Table 7. Contributions to the PSA are assessed as high in four of the five categories and medium in the fifth.

Table 7: Assessment of DFID contribution to the 2003-2006 PSA

DFID PSA 2003-2006	
Objective I: Reduce poverty in Sub Saharan Africa	
Target 1: Progress towards the MDGs in 16 key countries demonstrated by:	
<ul style="list-style-type: none"> ● A sustainable reduction in the proportion of people living in poverty from 48% across the entire region; 	Steady progress towards falling income poverty and a low income poverty gap, but with large regional disparity. High contribution
<ul style="list-style-type: none"> ● An increase in primary school enrolment from 58% to 72% and an increase in the ratio of girls to boys enrolled in primary school from 89% to 96%; 	Steady positive increase in enrolment. Concerns rising about quality of education which is not monitored. Gender parity is high but improving slowly and low priority. High contribution
<ul style="list-style-type: none"> ● A reduction in under-5 mortality rates for girls and boys from 158 per 1000 live births to 139 per 1000; and an increase in the proportion of births assisted by skilled birth attendants from 49% to 67%; a reduction in the proportion of 15- 24 year old pregnant women with HIV from 16%; 	U5MR is lower in Ghana than other countries, but has increased recently for reasons not well understood. Access to skilled birth attendance is highly skewed with over 80% in Accra and less than 20% in the North. But nationally access to skilled attendance has increased rapidly in the last few years. HIV prevalence is low. Medium contribution
<ul style="list-style-type: none"> ● Improved effectiveness of the UK contribution to conflict prevention and management as demonstrated by a reduction in the number of people whose lives are affected by violent conflict and a reduction in potential sources of future conflict, where the UK can make a significant contribution. (Joint Target with FCO and MOD); and 	UK support through Africa Conflict Prevention Pool and British Military Assistance Training Team (BMATT). Stability in Ghana has been maintained despite conflicts in neighbouring countries to east and west. High contribution
<ul style="list-style-type: none"> ● Effective implementation of the G8 Action Plan for Africa in support of enhanced partnership at the regional and country level. 	Good progress with a high level of influence by DFID. Strong promoter of MDBS, substantial contributions to sector programmes and harmonised approaches in all sectors. High contribution

Note: ratings High, Medium, Low are estimates by the CPE team

Summary of findings

- ❖ MDBS has brought direct benefits to management of the economy and strengthening of pro-poor expenditures. Particular influence has come through the use of performance triggers in the policy matrix. Plus, MDBS has produced beneficial effects in the quality of policy dialogue, predictability of funding, harmonization of donor policies, government ownership, and in performance tracking.
- ❖ The effectiveness of MDBS is being held back by slow progress with public financial management, especially in the downstream parts of the budget cycle, managing fiscal risks and slow progress in CSR/PSR.
- ❖ DFID's OPR performance ratings are available for only a small part of the portfolio: they indicate better performance in pro-poor growth and human development than in the governance theme.
- ❖ Education enrolments have risen; gender parity is improving slowly and deprived districts are experiencing faster growth in primary enrolment. Health performance has stagnated despite improved flows of resources and successful outputs. HIV/AIDS projects have worked well.
- ❖ DFID's contributions to pro-poor growth have been diverse without a clear overarching strategy: benefits are most strongly evident in forestry and rural infrastructure; but strategic support for policy in agriculture, lands and the private sector are all positive.
- ❖ There are convincing examples of policy influence and donor harmonisation across the pro-poor growth and human development themes.
- ❖ A mix of aid instruments: projects, pooled funding, SWAs and GBS appears to be beneficial. Plurality enables instruments to match needs and capacity.
- ❖ There is some evidence to think that reforms under MDBS will be sustained. Sustainability of improvements in other sectors is more uncertain.
- ❖ DFID's contribution is assessed by this evaluation as 'High' or 'Medium' for seven of the eight CAP main objectives and theme aims. DFID Ghana's contribution to the PSA for Sub-Saharan Africa is assessed as 'High' for 4 of the 5 indicators for Target 1.

5. Development Progress

Development progress

5.1 Table 8 sets out the progress towards the MDGs, assembled from a variety of sources. Each cell describing progress in Ghana presents several items of information. First is an assessment of the likelihood of reaching the goal (probably; potentially; unlikely) and the strength of the supporting environment (strong; fair; weak). This is taken from the Annual Progress Report to the GPRS (NDPC 2004). Next is a short description of recent trends. Last are supporting statistics from a variety of sources, noted below.

Table 8: Progress against Millennium Development Goals¹⁸

MDG	Ghana Progress to 2005
<p>One Eradicate extreme poverty and hunger</p>	<p>Income poverty: probably/strong Hunger: unlikely/fair <i>Extreme poverty concentrated in Ghana's three northern regions. Income poverty gap is small compared with other developing countries. 42% of under 5s in northern Ghana are malnourished</i> 1998 45% below \$1 per day – new survey results due in 2006 (World bank estimate 35% in 2004) Nutrition – undernourished: 1996 18%; 2001 13%</p>
<p>Two Achieve universal primary education</p>	<p>Universal access: probably/strong <i>Steady increases in enrolment in recent years but constrained by numbers of schools in good condition and distance. Parents believe quality of education is declining.</i> 1998/2000 Primary completion 63-64% [DFID 2003-04 primary completion estimate 71%] Net primary enrolment: 1998 57.9%; 1999 61.8%; 2000 57.1%; 2001 60.2%. [2003 CWIQ 70%] Retention Grades 1 to 5: 1999 66.3%</p>
<p>Three Promote gender equality and empower women</p>	<p>In primary and junior secondary: unlikely/fair senior secondary: unlikely/weak but improving <i>Slow progress in improving gender parity; not identified as a priority in government policy.</i> Primary ratio girls: boys 1998-2001: 0.90 rising to 0.91 [DFID 2003-04 estimate 0.93] Secondary ratio girls: boys 1998-2001: 0.78 rising to 0.82 Tertiary ratio girls: boys 1999-2001: 0.33 – 0.39 Women in parliamentary seats 1998 9%; 2005 11% Adult literacy rate (OECD/DAC) 1997 68; 2002 74%</p>

¹⁸ Sources: Mostly UNDP MDG country profile; additional statistics from OECD/DAC Indicators and data reported from DFID education briefing note, where indicated.

Assessment: Likelihood of reaching the goal/strength of supporting environment – assessment for 2004 from Ghana National Development and Planning Commission (NDPC). Targets are for 2015 except for (3) Gender Equality which is for 2005.

MDG	Ghana Progress to 2005
<p>Four Reduce child mortality</p>	<p>Under 5 mortality: probably/strong <i>U5MR high and increased slightly owing to increasing deaths in first year and within that in first month of life. Slow implementation of Integrated Management of Childhood Illnesses.</i> 1998 Children under 5 underweight 24.9 Under 5 mortality rate: 1993 – 119; 1998 – 108; 2003 – 111 Infant mortality rate: 1993 – 66; 1998 - 57; 2003 – 64 Neonatal mortality rate: 1993 – 46; 1998 – 30; 2003 - 43</p>
<p>Five Improve maternal health</p>	<p>Maternal mortality: unlikely/fair <i>Reliable data not available, but northern Ghana has higher rates than south. Maternal deaths increasingly audited and more births attended, although below target.</i> Maternal mortality ratio: 1993 – 214; no reliable data since Attended births 1998 – 44; 2001 – 49; 2004 - 53</p>
<p>Six Combat HIV/AIDS, malaria and other diseases</p>	<p>HIV/AIDS: potentially/strong Malaria: lack of data/fair <i>HIV/AIDS rates low by Sub Saharan and West African standards and apparently stable, and possibly going down. U5 Malaria Case fatality rate has increased and is more than double the target; TB detection rate has decreased, but cure rate has increased.</i> Country HIV prevalence pregnant women 15-24: 2000 – 2.4%; 2001 – 3.1%; 2002 – 3.5%; 2003 – 3.0%; 2004 – 2.5% Accra HIV prevalence pregnant women 15-24: 2000 – 2.7%; 2001 – 3.7%; 2002 - 2.7%; 2003 – 3.9% U5 Malaria Case fatality rate 2001 – 1.7; 2005 – 2.8 TB detection rate 2001 – 61; 2004 – 56 TB cure rate 2001 – 48; 2003 - 61 Average life expectancy (OECD/DAC) 1997 - 61; 2002 – 55, though UN figures show 1990 – 55; 2000 – 57; 2003 - 58</p>
<p>Seven Ensure environmental sustainability</p>	<p>Sustainable development policies: potentially/weak but improving Water: probably/fair <i>Access to water much higher in urban areas and strong regional disparities in rural areas.</i> Percentage population access to safe water 2002: urban 93; rural 68</p>

5.2 The assessments in Table 8 were made by NDPC for 2004. The only assessment that is now questionable concerns Child Mortality where a likelihood of *'Potentially'* is now more realistic than *'Probably'*. Of the nine indicators quoted therefore, three are assessed as 'probably' and three as 'potentially'. Some performance, though unlikely to reach the goal, is nevertheless much better than many other countries in the region. This is a strong assessment.

5.3 The most positive message is that good progress is being made in overall growth. Basic delivery of social services is happening, but tackling intractable problems such as regional disparities, and sharpening the focus of programmes to deal with gender inequalities or to improve rural-urban differences requires a greater focus in policy and detailed attention to service delivery.

5.4 The major concern is the low performance with respect to reducing the proportion of people who suffer from hunger. Malnutrition remains a serious problem in Ghana. Data from the 2003 Ghana DHS show that 30 percent of children under five are stunted and 11 percent wasted. There are marked rural-urban as well as regional differences in vulnerability to child malnutrition. Children living in the three northern regions as well as the Volta region are more likely to be underweight than children in the other regions of the country.

5.5 One strength of the Annual Progress Report to the GPRS is that findings are accompanied by policy recommendations. But as noted elsewhere, this analysis is not yet disseminated in a way that can inform public debate and help develop demand for improved services.

Aid effectiveness

5.6 Aid has contributed to the development progress in Ghana. Aid flows have been volatile over time and come in different forms. The trend towards budget support away from tied and projectised aid of the 1980s and 1990s as well as increased harmonisation of donor policies and alignment with government policies and systems has increased the effectiveness of overall donor support.

5.7 The direct effect of the shift towards more programmatic approaches, pooled funding arrangements and budget support operations has been a more streamlined approach to donor support, a deepened and institutionalised dialogue with government on reforms and the support of the implementation of the GPRS. MDBS, HIPC debt relief and other donor support have relaxed the financing constraints of the implementation of the GPRS and have been generally aligned with GPRS priorities. This has backed government efforts to reduce poverty.

Summary of findings

- ❖ Of the nine MDG indicators quoted, three are assessed as 'probably' and three as 'potentially'. Performance under some targets, though unlikely to reach the goal, is nevertheless much better than many other countries in the region. This is a strong assessment.
- ❖ The major concern is the low performance in reducing the proportion of people who suffer from hunger.
- ❖ The shift towards more programmatic approaches, pooled funding arrangements and budget support operations has been a more streamlined approach to donor support and a deepened and institutionalised dialogue with government on reforms

6. Conclusions and Lessons

DFID contribution & value added

6.1 DFID has made a major contribution to development in Ghana. Respondents amongst development partners and in government recognise and confirm DFID's role. The added value that DFID has brought can be summarised in three parts.

6.2 First, the country programme was configured to respond to the 1997 UK White Paper on aid and the PRSP/MDG initiatives, Monterrey Consensus and Rome agreement were internalised into country strategy. This led to a clear platform from which to promote government-led strategy development, pooled funding and aid harmonisation, and budget support. DFID's value was in having a clear vision from a very early stage and seizing opportunities to lead or work with other development partners to promote these changes.

6.3 DFID's financial contribution as second largest donor in Ghana has been important, but it is less important than the quality of dialogue. MDDBS has facilitated a high-level dialogue on policy objectives for future reforms with government but also among donors. It has stimulated a more integrated discussion between central and line agencies and donors that are more difficult to achieve under SWAPs or project support. The second major element of added value has been DFID's team of policy advisers. Individually and collectively they have earned the respect of their peers. Relations with development partners have not always been good but disagreements have generally been used to fuel a creative tension, such as in education with the World Bank.

6.4 The third element is innovation. Commitment to budget support has not been to the exclusion of other aid instruments. Continued funding of smaller programmes and speedy access to financial aid has enabled DFID to engage in difficult areas. The best example is forestry, which has tackled a major export sector, issues of public sector reform, direct financial benefits to poor communities, issues of governance between traditional authorities and the state, transparency and anti-corruption. Flexibility has also enabled the programme to give rapid support, such as to the newly established offices of the Senior Minister and the new Minister of Public Sector Reform; to support specific AIDS projects; and to support NEPAD. Not all have been successful, but they have demonstrated that DFID is an organisation that can get things done.

Strengths & weaknesses of DFID's programme

Strengths

6.5 A number of strengths have been identified from interviews and analysis:

- Long-standing relationships have brought knowledge in depth to some sectors
- Strong advisory expertise based in-country has enriched the dialogue with government
- DFID is innovative and prepared to tackle issues other donors don't
- DFID is a consensus seeker and hence has facilitated the dialogue between DPs and with GoG
- There is a constructive willingness to learn as evidenced in the End of Cycle review of the CSP and more recently, the Drivers of Change study
- Promotion of a poverty focus runs through many programmes
- Good governance is promoted across the programme - institutional issues have been targeted in all sectors to improve efficiency and sustainability
- DFID has a good record for timely disbursement of funds
- Financing arrangements have enabled flexible access to funds for unplanned activities

Weaknesses

6.6 Almost inevitably, many of the weaknesses are the converse of the strengths, others reflect the tensions between policy driven from London and responsiveness to the situation in Ghana.

- DFID is not a listener. As the consultation for the CAP demonstrated, the aim was to inform partners about DFID's approach, not to identify how to adapt policy to meet the country's needs.
- Neither the CSP nor CAP present a clear analysis of where DFID's support should be concentrated and why. That has led to a lack of prioritisation and fostered the 'Jack of all trades' portfolio. DFID's over-arching objective of poverty reduction does not emerge as a core entry point to guide its involvement.
- Lack of a coherent performance framework. The current system has some good elements but is not a coherent whole. Performance assessments of projects and programmes is partial and inconsistent and does not lead into monitoring through the Change Forecast Indicators. There is no systematic approach to providing evidence to drive policy – a criterion of DFID's new policy on conditionality.
- Support for public sector reform has been excessively driven by short-term perspectives. The Drivers of Change study prompted a higher awareness of the long-term political dimensions and the need for long-term strategy.
- The strategy to appoint a shared health adviser with the Dutch was weakened by rushed implementation. Government in particular believes the consultation was insufficient, given DFID's pre-eminent role in the sector.
- The focus on engagement with central agencies and higher levels of government has moved the programme upstream, but inadvertently distanced the office from financial management and sector development within the MDAs.
- Although the CAP identified the need to work with civil society, the programme has been slow to give attention to government relations with NGOs and civil society, and demand side support.

Explanatory factors

6.7 The period of the evaluation has been one of change for DFID Ghana and the country-based staff have managed well in the circumstances. The lack of focus to the programme has come about to a large extent as a result of the conflicting pressures on the office:

- DFID policy to increase the volume of aid being delivered through general budget support.
- Inconsistent policy emphases from DFID Palace Street – for example the move away from rural infrastructure following the 1997 White Paper and now renewed recognition of the importance of rural infrastructure for agricultural growth.
- Recognition that changes require long-term engagement, but a working environment in which short term horizons dominate: the CAP cycle; annual disbursement and the PAF triggers; adviser duration in post.
- A distancing of staff from sector service delivery with the move from field offices to a decentralised country office and withdrawal from implementation support to upstream policy dialogue and arms-length interaction with programmes.

6.8 The office recognised the need to work in a smarter way with the development of thematic teams to mirror pillars of the GPRS. But the current configuration of a large pro-poor growth team, accountable governance and human development teams has not yet altered the structure of the portfolio and the way it is managed. Development of the new CAP will be an important event to consolidate and revisit these arrangements.

Lessons and recommendations

Lessons

6.9 The main findings from the evaluation have been summarised in text boxes at the end of each chapter. Six lessons emerge from this evaluation.

- DFID's successful move into general budget support was facilitated by a combination of clear policy direction from London, strong advisory presence in Accra and active harmonisation efforts by the office as a whole.
- Institutional reforms to the public sector require an explicit approach to dealing with the socio-political aspects of change. Such programmes require a long-term strategy grounded in the development of broadly-based political support.
- One of the core successes of the programme has been in forestry. Progress has come because the programme was flexible enough to be innovative and take risks, and long-lasting enough to endure. Sector programmes need this flexibility in funding and management, and a long-term commitment. DFID's role as a grant-aid donor means it is well suited to innovation, leaving scaling up to IFIs and funding through budget support mechanisms.
- The change from field offices to a decentralised Ghana office has brought gains in terms of in-country focus and faster decision-making. But the concomitant shift to upstream policy and budget support has reduced the time spent in contact with sector programmes and service delivery away from Accra. This is important given the significant regional disparities in the country.

- The slow pace of migration towards budget support in education has enabled a constructive balance between policy dialogue and technical assistance.
- Silent partnerships with other donors can be a worthwhile strategy, but should be undertaken with care, especially where DFID has a long history of being the lead partner.

Recommendations for DFID Ghana

6.10 These recommendations are directed primarily towards the preparations of the next CAP. The CPE team argue that some decisions, such as to withdraw from roads, water and forestry should be re-considered as part of a more wide-ranging review.

- DFID's overarching objective is poverty reduction to achieve the MDGs. A core strategy for the next CAP could be to influence implementation of the GPRS through promotion of pro-poor policies for growth and human development. The challenge of hunger is clearly a high priority for Ghana, especially given slow progress against that element of MDG 1 and DFID's strategy needs to demonstrate how support will contribute to government programmes to tackle hunger .
- Ghana's growth strategy is centred on agriculture. The new DFID policy on agriculture highlights the importance of access to inputs, access to finance and access to markets. A strategy is needed for the pro-poor growth team to identify how the current resources (programme finance, advisory and programme staff and TA) can be combined and managed to create a coherent programme that links enterprises in the natural resources sector with an export led growth strategy and the private sector in delivering pro-poor growth.
- The fiduciary risks of MDBS will not decrease if reforms in PSR and downstream PFM are not addressed. For the foreseeable future a prudent strategy is to sequence instruments, using sector budget support for health and education until more progress has been achieved with public financial management and public sector reform.
- Given the macroeconomic stability that Ghana has achieved, consideration could be given to a larger performance element in the MDBS tranche.
- Analysis of the programmes of other development partners can be used to provide evidence to support an argument for DFID's comparative advantage as a grant-aid donor. Country strategy needs to include a comprehensive plan for the composition and relative contributions of programme finance, advisory support and technical assistance, to achieve CAP objectives.

Recommendations for DFID Palace Street

- An improved set of guidelines and support are required to assist country programmes that consider supporting complex computer hardware and software projects. Experience more broadly within the UK government should be drawn on to provide practical guidelines.
- In the light of an increasing share of GBS, DFID should review lessons from across country offices on how best to retain its influence and support to sectoral ministries – i.e. those ministries responsible for the delivery of pro-poor services, such as health and education.

EVALUATION OF DFID COUNTRY PROGRAMMES – COUNTRY STUDIES PROGRAMME 2005-6

TERMS OF REFERENCE FOR CONSULTANCY ASSISTANCE

1. Introduction

- 1.1 DFID's Performance management system is supported by periodic independent evaluations at project, programme, sector and thematic level. A recent NAO report suggested that performance management could be strengthened by periodic evaluation of DFID's country programmes (CPEs).
- 1.2 DFID's Evaluation Department (EvD) has recently undertaken independent pilot studies in four countries during which an evaluation framework evolved. This framework (Annex A) will form the basis of future evaluation studies.
- 1.3 These terms of reference (ToRs) are for the next stage in a rolling programme of CPEs covering EvD's requirements for the next 12 months, with a possible extension of up to 12 months. As each CPE is finalised, the ToRs may be refined to reflect country context.
- 1.4 Countries proposed for evaluation in 2005/6 are Rwanda, Ghana, Mozambique and Bangladesh. The timing of these may require some studies to run concurrently.
- 1.5 The evaluation will examine the countries' most recent Country Strategy Paper (CSP), or related policy documents. The lessons learned will contribute to DFID policy, including Country Assistance Plans (CAPs).

2. Background

- 2.1 DFID has increasingly targeted development assistance at the county level and become a highly decentralised organisation. Country offices have replaced regional development offices and decision-making and financial authority have been delegated to country programme heads. The purpose of this shift is to improve the relevance and coherence of development assistance programmes while at the same time maximising opportunities for partnership, influencing and donor harmonisation around a nationally owned programme for poverty reduction. The way in which country programmes (e.g. as described in a CSP) translate DFID's corporate objectives into operational plans for delivering development assistance is therefore a logical object for evaluation.

3. Overarching objectives

3.1 The main objective of the CPE is to assess the country programme in terms of:

DFID Processes

- The **appropriateness** of country programme objectives and the logic behind them given domestic policy objectives for poverty reduction, as well as DFID's own corporate level objectives;
- The **relevance** of programme interventions given overall objectives (i.e. the cause and effect link between interventions and objectives), the governance and institutional setting, and DFID's comparative advantage and human resource availability;
- The **efficiency** with which programme plans are translated into activities, including human resource and office management, collaboration and harmonisation with other stakeholders, policy dialogue and influencing, the use of financial instruments, and the quality of DFID as a development partner;
- The **effectiveness** of the overall programme in achieving intermediate poverty reduction outcomes and the systems for measuring and monitoring success;
- The success with which the programmes had mainstreamed the cross-cutting issues of **poverty, gender, HIV/AIDS and environment** into all of its activities. What were the variables influencing the process of inclusion? What was the impact on the achievement of wider programme objectives?

Outcomes and Impacts

- What can be said about **impact and sustainability** and at what level this occurs. What changes intended or unintended can be attributed to the interventions.

3.2 The evaluation seeks to draw the cause and effect links between:

- **Programme direction and the poverty outcomes to which they are linked** - Does the programme have clear direction? How does this relate to DFID's corporate objectives on the one hand and the country-specific environment on the other? What development theory and evidence underpins the programme direction? Why were certain investment decisions made over others? What are the results/outcomes of these linkages?
- **Choice of instruments and objectives** – What are the “development instruments” in use? What are the factors/variables that impact upon efficiency? Are the choices being made the best

possible choices, given those factors/variables?

- **DFID as a development partner** – What is the nature and quality of DFID's partnerships with the country government and other development stakeholders? How do these different stakeholders perceive DFID as a development partner? What are the factors/variables that impact/influence those relationships?

4. Outputs & Timing

- 4.1 The consultants will produce one study report and executive summary for each country. The report shall be approximately 30-40 pages long (excluding annexes).
- 4.2 EvD will carry out the initial data collection, with support from the consultant, which will produce a programme history. DFID will produce an initial context summary which will provide additional background information and outline issues identified by key stakeholders, other donors and DFID country staff. The consultants will work to the evaluation framework for the study (Annex A) as well as addressing country-specific issues raised by the EvD team in the context summary.
- 4.3 The consultant will:
- identify key issues for the evaluation, including understanding the development environment and history of DFID's recent programme
 - identify key stakeholders, internal and external to DFID, who they will interview
 - set up and plan the main field visit (lasting 2 weeks) including consulting with local DFID staff and getting their support
 - identify and engage a consultant locally as part of the evaluation team
- 4.4 The consultants will work to strict deadlines, to be agreed by the Evaluation Manager, however, the First Draft report will be required to be delivered to EvD within 2 weeks of the Field Visit.
- 4.5 Following a dissemination seminar in which the consultant will present the findings of the report, the consultant will produce the Final Report, incorporating any resulting comments from the seminar, within 6 weeks of the Field Visit.
- 4.6 On completion of the final report, the consultants will produce an evaluation summary (EvSum), of approximately 4-6 pages, which will include the response from the relevant DFID office/Department.
- 4.7 The Rwanda CPE is the first in the programme, with field visit dates set

for 6 –17 June. The Bangladesh CPE is planned for the end of August and the Mozambique CPE is planned for late in 2005. The Ghana CPE will take place in early 2006.

5. Competence and Expertise Requirements

- 5.1 One consultancy organisation will be appointed to deliver the outputs described above. The team should be balanced in terms of gender and must include a strong national/regional component.
- 5.2 A full-time managing consultant with extensive evaluation experience, and a record of managing country/strategic level evaluations will be required to manage the planning and delivery of this study. The individual will also be expected to have strong written and oral communications skills as he/she will play a major role in communicating lessons learned both to country programme personnel and to a wider DFID audience.
- 5.3 Each country team will need to be familiar with country programme evaluation, monitoring and performance management issues. The team will be made up of a combined skill set covering economics, social and institutional development and human resource management.
- 5.4 The consultancy team will have responsibility for:
 - maintaining ethical standards in implementing the evaluation
 - the timely production of evidence based conclusions and recommendations
 - managing logistics in country

5. Reporting

- 5.1 The consultants will report to the Evaluation Manager/Senior Economist (Nick York) or the Deputy Programme Manager (Lynn Quinn) in DFID Evaluation Department.

6. Timing

- 6.1 The consultancy should start around May 2005 and outputs will be produced to firm timetable.

Evaluation Department March 2005

ANNEX A

EXAMPLE DRAFT COUNTRY PROGRAMME EVALUATION MATRIX

ANNEX A

CRITERIA	MAIN QUESTIONS	SUB QUESTIONS / TASKS	LEAD RESPONSIBILITY
1. CONTEXT: what were the significant features of the context in which the programme was designed and implemented?			
1.1 Country Office 2000-2004		<ul style="list-style-type: none"> • timeline • significant features. 	
1.2 DFID 2000-2004		<ul style="list-style-type: none"> • timeline • significant features. 	
1.3 1996 -2000		<ul style="list-style-type: none"> • significant historical factors 	
2. PROGRAMME QUALITY: what was the quality of DFID's programme and process?			
2.1. Strategy	<ul style="list-style-type: none"> • Was DFID's strategy(s) appropriate? 	<ul style="list-style-type: none"> • Summarise evolution & content • appropriately harmonised with, and communicated to, other donors? • clear, results-focussed and monitorable? • relevant, appropriate and aligned to context/PRS? • consistent with DFID policy and guidelines? • adequate consultation with, and communication to govt, CS and NGOs? 	

<p>2.2 Relationships</p>	<ul style="list-style-type: none"> • how was DFID viewed by other development partners? • how effectively did DFID pursue their 'influencing' agenda? 	<ul style="list-style-type: none"> • ID key partners and change over time • general approach to influencing • DFID – government • DFID – civil society • DFID – bilaterals • DFID – multilaterals • DFID – FCO • DFID – Country office-regional office
<p>2.3 Activities</p>	<ul style="list-style-type: none"> • what portfolio of activities and instruments did DFID implement? • How did DFID appropriately balance its support for government and civil society? • How did it implement the cross-cutting issues of gender, poverty, HIV/AIDS and environment? 	<ul style="list-style-type: none"> • financial and staff inputs by CSP outcome and instrument • justification for activities and instruments by outcome • mainstream gender? • mainstream environment? • mainstream poverty? • mainstream HIV/AIDS • harmonised with other donors? • cross-cutting rights-based approach? • government ownership? • civil society ownership? • Balance between govt. and CS? • M & E of initiatives and instruments?

3.5 Unanticipated Outcomes	<ul style="list-style-type: none"> Were there any unintended consequences (positive or negative) from DFID's activities? Were any missed opportunities identified? 	<ul style="list-style-type: none"> 	
4. DEVELOPMENT PROGRESS: what development progress has been achieved in country?			
4.1 Development progress 2000-2004	<ul style="list-style-type: none"> What overall progress has been made towards the MDGs etc.? What has been the contribution of the development assistance? 	<ul style="list-style-type: none"> Economic and development progress Contribution of development assistance? 	<ul style="list-style-type: none">
5. CONCLUSIONS, LESSONS AND ISSUES			
5.1 DFID contribution and value added	<ul style="list-style-type: none"> What has been DFID's overall value added/contribution? 		
5.2 Strengths and weaknesses of DFID programme	<ul style="list-style-type: none"> What have been the strengths of the DFID programme? What have been its weaknesses? 		
5.3 Explanatory factors	<ul style="list-style-type: none"> what explains DFID's contribution and the strengths/weaknesses of the programme? 		
5.4 Issues and lessons	<ul style="list-style-type: none"> what lessons can be learned for the [country] programme, Regional Office, DFID and donors? what issues of wider interest are raised by the [country office] experience? 		

The framework will include the following:

- List of acronyms
- Terms of Reference
- Timeline(s)

- Outcome matrices
- Financial analysis
- Persons met
- Documents consulted

Annex B:

Country Programme Review Timeframe

Activity	Timeframe
Letter/ToRs sent to Country Office	2 months +
EvD Scoping/Documentation Collection	1 week
Inception/Hand-over to Consultants	3 – 5 weeks
Field Visit	2 weeks
Draft paper	3 weeks
Seminar	2 weeks
Final Report/EvSum	2 weeks

People consulted

DFID Ghana

Mike Hammond	Head of Office
Emma Spicer	Deputy Head of Office
Paul Walters	Economics Adviser
Ben Davies	Livelihoods Adviser
Sanjay Wijesekera	Rural Engineering Adviser
Catherine Martin	Private Sector Development Adviser
Don Taylor	Education Adviser
Daniel Arghiros	DFID Governance Adviser
Budale Issahaku	Poverty and accountability adviser
Matilda Owusu-Ansah	HIV/AIDS Adviser
Ruby Bentsi	Economist
Will Guest	Deputy Programme Manager Human
Development	
Afua Ansre	Assistant Programme Manager Health
Yoland Bewick	Assistant Programme Manager
Nana Frimpomaa Arhin	Assistant Programme Manager
Galina Okartei Akko	Assistant Programme Manager

DFID and FCO

Gordon Wetherell	HM High Commissioner to Ghana
Julia Falconer	WAD Forestry Adviser (by email)
Sandra Baldwin	Former Health Adviser, now UNCD
Helen Wedgwood	Former Livelihoods Adviser
Brian Thompson	Former Head, WNAD
John Winter	Former Head of Office, DFID Ghana

TA and Consultants

Roberto Tibana	MDBS PFM Adviser
Bjarne Jensen	Chief Health Advisor Danida

Government of Ghana

Mr Afrani	Director (PBME), Ministry of Education
Maxwell Quao	Chief Internal Auditor, Ghana Education Service
Charles Otoo	Financial Controller, Ghana Education Service
Mr Mike Nsowah	Director-General, Ghana Education Service
Dr Eddie Addai	Ministry of Health
Mr Kwaku Owusu-Baah	Chief Director, Ministry of Food & Agric
Lena Otoo	Assistant Director, PPMED/PPU, Ministry of Food & Agric
Mr Ato Essuman	Chief Director, Ministry of Education
Rowena Dyer	ODI Fellow, Ministry of Education
Hon. Andrew Adjei Yeboah	Deputy Minister, Lands, Forestry and Mines

Fredua Agyeman	Technical Director (Forestry), Ministry of Lands, Forestry and Mines
Prof Fred Sai	Presidential Adviser on HIV/AIDS
E Osei-Prempeh	Director, Bilateral Aid, Ministry of Finance
Mr Augustus Kwasi Adu	UK Desk Officer, Ministry of Finance
Augustine Takyi	UK Desk Officer, Ministry of Finance
Adu Amankwaah	UK Desk Officer, Ministry of Finance
Dr Regina Adu-Twum	Director-General, NDPC
Angela Farhat	MDBS HD Pillar Lead, NDPC
Hilda Eghan	HIV/AIDS Secretariat, MoE
Mr Seth Addo	Ag. Chief Director, Ministry of Trade and Industry
Kofi Afresah I Nuhu	Deputy Chief Industrial Promotion Officer, Ministry of Trade and Industry
Emily Larbi-Jones	ODI Fellow, Ministry of Trade and Industry
Hon. Moses Dani Baah	Deputy Minister, Ministry for Private Sector Development
Mr S S Saaka	Ag. Chief Director, Ministry for Private Sector Development
E F Ofosu-Appeat	Director Institutional & Legal Reform, Ministry for Private Sector Development
Sheila Mintah	Institutional and Legal Reform, Ministry for Private Sector Development
Barnard Mfodwo	Deputy Director, Ministry for Private Sector Development
Dr John-Hawkins Asiedu	Deputy Director, Policy Planning, Monitoring & Evaluation, Ministry for Private Sector Development
Mavis MaCarthy	PSD Implementation Coordinator, Ministry for Private Sector Development
Patrick Nomo	Ex Financial Controller, MoH
Mr J Osei-Asamoah	Chief Director, Ministry of Roads & Transport
E N K Ashone	Deputy Director, Department of Feeder Roads, Ministry of Roads & Transport
Mrs Salimata Abdul Salam	Ag. Chief Director, Ministry of Health
Prof. Sakyi Amoa	Director General Ghana AIDS Commission
Herman Dusu	Financial Controller MoH
Henry Paidoo	Forestry Commission
Prof Agyemang Badu Akosa	Director-General, Ghana Health Service
Hon. Dr Paa Kwesi Nduom	Minister, Public Sector Reform
Jones Ackor	Technical Director/Consultant, Ministry of Public Sector Reform
Kwame Adorbor	Deputy Director, Ministry of Public Sector Reform
Margaret Sekyere	Consultant/Administrator, Ministry of Public Sector Reform
Major (Ret'd) Don Chebe	Communication Specialist, Ministry of Public Sector Reform

Esther Aikins Pokoo	Assistant Director, Ministry of Public Sector Reform
Felicia Owusu-Bonsu	Project Implementation Specialist /M&E, Ministry of Public Sector Reform
Odame Larbi	LAP Project Director, MoLF
Yaw Adarkwa Antwi	LAP National Facilitator, MoLF
Prof Sakyi Awuku Amoa	Ghana AIDS Commission
Agatha Gaisie-Nketsiah	Special Assistant to the Minister, Ministry of Finance
Kwesi Abbey-Sam	Chair, Public Procurement Board

Development Partners & IFIs

Ben E Cummings	Deputy Director, Ghana Program, CIDA
Gwen Walmsley	First Secretary, CIDA
Dr Melville George	Resident Representative, WHO
Mats Karlsson	World Bank Country Director
Laura Rose	Health Economist World Bank
Eunice Dapaah	World Bank
Janet Appiah	Programme Officer Social Sectors, European Commission
Guy Samzun	European Commission
Bjarne Jensen,	DANIDA
Jacob Jacobsen	DANIDA
Alphecca Muttardy	IMF Resident Representative
David Kuijper	Netherlands Embassy
Marius de Jong	First Secretary Health and Gender RNE
Koma Jehu-Appiah	Assistant Health Adviser RNE
Jakob Jakobsen	First Secretary Danish Embassy
Peter Wondergem	HIV/AIDS Advisor USAID

NGOs & Civil Society

Dr E Akwetey	IDEG
Prof E Aryeetey	ISSER
Mr Michael Ansah	Ghana National Education Coalition Campaign
Abeiku Sagoe	Coalition of NGOs in Health
Philbert Kankye	Christian Health Association of Ghana (CHAG)
Adelaide Addo-Fening, OBE	Regional Programme Manager, West and Central Africa. VSO
John Kweku (Abeiku) Sagou	General Secretary Coalition of NGOs in Health
Alex Banful	Managing Director Ghana Social Marketing
Foundation	
James Boateng	Administrative Manager Christian Health
Association of Ghana (CHAG)	
Dr. Derek Aryee	Country Director FHI Institute for HIV/AIDS
George Odoi	Finance & administrative Officer FHI Institute for
HIV/AIDS	

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ANNEX D: GHANA COUNTRY PROGRAMME EVALUATION MATRIX

CRITERIA	MAIN QUESTIONS	SUB QUESTIONS / TASKS
1. CONTEXT: what were the significant features of the context in which the programme was designed and implemented?		
1.1 Ghana 2000-2004	Drivers for change over this period	<ul style="list-style-type: none"> • Timeline and significant features.
1.2 DFID 2000-2004	Major changes & events within DFID	<ul style="list-style-type: none"> • Timeline and significant features
1.3 Donor scene 2000- 2004	Major changes in donor community and approach	<ul style="list-style-type: none"> • Timeline and significant features
2. PROGRAMME QUALITY what was the quality of DFID's programme and process?		
2.1. Strategy	<ul style="list-style-type: none"> • Was DFIDs strategy(s) in Ghana appropriate? 	<ul style="list-style-type: none"> • Summarise evolution & content
		<ul style="list-style-type: none"> • Appropriately harmonised with and communicated to, other donors?
		<ul style="list-style-type: none"> • Clear, results-focused and monitorable?
		<ul style="list-style-type: none"> • Relevant, appropriate and aligned to context/PRS process ?
		<ul style="list-style-type: none"> • Consistent with DFID policy? reflecting DBS path, PRS led, harmonization, upstream shift, globalization, PSA agenda
		<ul style="list-style-type: none"> • Adequate consultation with and communication to govt, CS and Private sector ?
2.2 Relationships	<ul style="list-style-type: none"> • How was DFID viewed by other development partners? • How effectively did DFID pursue the 'influencing' objectives regarding strategy and policy? • What were the risks and unintended consequences? 	<ul style="list-style-type: none"> • Identification of key partners and change over time
		<ul style="list-style-type: none"> • General approach to influencing
		<ul style="list-style-type: none"> • DFID – government
		<ul style="list-style-type: none"> • DFID – civil society
		<ul style="list-style-type: none"> • DFID - bilaterals
		<ul style="list-style-type: none"> • DFID - multilaterals
2.3 Activities	<ul style="list-style-type: none"> • what portfolio of activities and 	<ul style="list-style-type: none"> • DFID – FCO
		<ul style="list-style-type: none"> • Financial and staff inputs by CP outcome and instrument

CRITERIA	MAIN QUESTIONS	SUB QUESTIONS / TASKS
	<p>instruments did DFID implement?</p> <ul style="list-style-type: none"> • How did DFID appropriately balance its support for government and civil society? • How did it implement the cross-cutting issues of gender, poverty, HIV/AIDS and environment? 	<ul style="list-style-type: none"> • Justification for activities and instruments by outcome • Mainstream gender? • Mainstream environment? • Mainstream poverty? • Mainstream HIV/AIDS • Harmonised with other donors? • Cross-cutting rights-based approach? • Government ownership? • Civil society ownership? • Balance between govt. and CS? • M & E of initiatives and instruments?
<p>3. PROGRAMME EFFECTIVENESS<i>What has the programme achieved?</i></p>		
<p>3.1 Results</p>	<ul style="list-style-type: none"> • To what extent have project level objectives been achieved/ are on track at project output and purpose level? • What influence has been achieved? • Has DFID advanced harmonisation? • How effective have different aid instruments been as development instruments? • Are these results sustainable? • Equity 	<ul style="list-style-type: none"> • • • • • • • •
<p>3.2 CP outcomes:</p>	<ul style="list-style-type: none"> • What progress has been made towards each (CP) strategic outcome? • Is this progress sustainable? • What has been DFIDs contribution? 	<ul style="list-style-type: none"> • • • • • • • •
<p>3.3 CP purpose and goal</p>	<ul style="list-style-type: none"> • What progress has been made 	<ul style="list-style-type: none"> • Support implementation of PRS

CRITERIA	MAIN QUESTIONS	SUB QUESTIONS / TASKS
	towards the CP purpose and goal?	<ul style="list-style-type: none"> State and society work together to achieve sustainable poverty reduction Transformation within public service
3.4 DFID corporate objectives	<ul style="list-style-type: none"> What contribution has the programme made to the PSA and DDP? 	<ul style="list-style-type: none"> Contribution to PSA, SDA and DDP (general)
4. DEVELOPMENT PROGRESS 4.1 Development progress 2000 – 2004	What development progress has been made towards the MDG's etc.? <ul style="list-style-type: none"> What has been the contribution of the development assistance? 	What development progress has been achieved in Ghana? <ul style="list-style-type: none"> Economic and development progress Contribution of development assistance?
5. CONCLUSIONS, LESSONS AND ISSUES	5.1 DFID contribution and value added <ul style="list-style-type: none"> What has been DFIDs overall value added/contribution? 	
5.2 Strengths and weaknesses of DFID programme	<ul style="list-style-type: none"> What have been the strengths of the DFID programme? What have been its weaknesses? 	
5.3 Explanatory factors	<ul style="list-style-type: none"> What explains DFIDs contribution and the strengths/weaknesses of the programme? 	
5.4 Issues and lessons	<ul style="list-style-type: none"> What lessons can be learned for the Regional Programme (Strategy ?), DFID and donors? What issues of wider interest (PRS & BS) are raised by the Ghana experience? 	

Annex E: Policy alignment and Budget Support

Table 1: Alignment of donor support with government policy

Presidential State of the Nation Address	Accelerated Growth through Private Sector Development			Vigorous Human Resource Development			Continued Emphasis on Good Governance					
GPRS 2002-2005	Ensuring Macro-Economic Stability	Expanding Production and Gainful Employment	Protection for the Vulnerable and the Excluded	Supporting Human Resources Development and Equitable Access to Basic Services	Education	Health & Sanitation	Promoting Good Governance					
Medium-term Priorities of GPRS	Private sector development	Infrastructure development	Modernised agriculture based on rural development to ensure increased production and employment	Education	Health & Sanitation	Good governance						
MDBS	Promoting Growth, Income and Employment			Improving Service Delivery for Human Development			Strengthening Governance Institutions and Public Sector Reform Management					
DFID CSP 1998-2001	Water	Road & Transport	Food & Agriculture	Land & Forest	Health	More effective and efficient government activities and services,						
DFID CAP 2003-2006	The enabling environment for private sector led pro-poor growth	Rural Livelihoods	Feeder Roads	Agri-culture	Forestry	Effective and accountable governance: sector reform and strengthening of civil society and deepening of democracy						
Key focal areas of CAP	Private sector	Rural Livelihoods	Feeder Roads	Agri-culture	Forestry	Education	Health	HIV/AIDS	Support to Ministry of PSR	IPPD	GPRS M&E	RAVI, GRAP, Social Accountability

Table 2: Budget cycle and fiduciary risk assessment

Budget Cycle	DFID's Fiduciary Risk Assessment in 2002	DFID's Fiduciary Risk Assessment in 2005	Progress
REGULATORY FRAMEWORK	A clear set of rules governs the budget and financial management process. Rating B: Progress in drafting new framework but this has yet to be approved and implemented. Current framework remains deficient therefore. Compliance and enforcement remain weak.	Three Acts have been drafted: the Financial Administration Act and the Financial Administration Regulations, the Procurement Act, the Internal Audit Act. They have provided a strong legal framework for public financial management.	High
POLICY BASED BUDGETING	The budget is comprehensive Rating C Comprehensiveness of budget has improved but significant donor funded expenditure and internal generate funds still outside the system. MDA's display reluctance to reveal aid flows.	The content of the Budget Statement and Economic Policies and the Appropriation Bills for 2005 represent a substantial improvement in the comprehensiveness of the information included in the budget documentation presented to parliament. However, the level of unreported government operations (other than donor funded projects) amounts to about 10 percent of total expenditures, including the District Assembly Common Fund and Internally General Funds of the MDAs. Information on donor funded projects is also seriously deficiently covered in fiscal reports.	Medium
	The Budget Supports Pro Poor Strategies. Rating B MDA Strategic Plans informed by GPRS. Early switch from pilot to full MDA coverage undermined deepening of MTEF process. Performance Budget concept introduced. Improved coordination between planning and budget. The GPRS has been finalised and efforts made to ensure the policy priorities progressively influence the MTEF and 2003 Budget processes. Further work is however required to validate existing linkages between GPRS and MTEF/Annual Budget.	Pro-Poor expenditures have steadily increased, and the link between the GPRS and the MTEF has been improved over the past three years. However, medium-term expenditure projections are mostly at an aggregate level and incremental. The costing methodology has not been implemented completely and only service and investment expenditures are logically linked to MDA strategy plan objectives. Recurrent cost implications are poorly taken into account.	Medium+
	The Budget is a reliable guide to actual expenditure. Rating C Budget outturn does not currently show high level of consistency with actual expenditure.	Aggregate expenditure outturns have improved over the last three years. However, at MDA level expenditure outturns have deviated strongly. Reallocations of expenditures between administrative budget lines have contributed to large variances in expenditure composition.	Medium
PREDICTABILITY AND CONTROL OVER BUDGET	Expenditure within year is controlled. Rating B: Reporting has improved substantially at the aggregate level but remains incomplete. Control of expenditure is improving but remains weak. BPEMS implemented proceeding	There is no sufficient and reliable information available for adequate assessment, but MDBS review assesses progress in PFM as broadly satisfactory. For progress on BPEMs and procurement see below. The integrity of the payroll system is significantly	Low

Budget Cycle	DFID's Fiduciary Risk Assessment in 2002	DFID's Fiduciary Risk Assessment in 2005	Progress
EXECUTION	but slowly. Review of MDA's financial management policies/procedures outstanding. Professional standards as yet to be introduced and professional capacity created. Capacity remains a problem as does the HRM system. New Internal Audit Act currently being discussed by Parliament.	undermined by lack of reliable, complete, integrated and reconciled personnel records and payroll databases. Controls and institutional capacity is low. Progress has been made with the implementation of the Internal Audit Agency Action Plan.	
	Government carries out procurement in line with principles of value for money and transparency. Rating B: aw drafted, institutional arrangements and capacity building programme designed but implementation awaiting approval of bill.	Progress has been made in establishing the legal framework for Procurement and institutional capacity building have been carried out.	High
ACCOUNTING, RECORDING, REPORTING	Reporting of expenditure is timely and accurate. Rating B: Accounting and reporting for domestic transactions through the Treasuries has improved resulting in the CAGD being able to meet statutory dates for consolidated reporting in 2001 & 2002. These accounts are not comprehensive or fully reconciled and the audit is as yet outstanding. Harmonised BPEMS chart of accounts agreed. Work on national standards outstanding. Professionalisation of Accounting Cadre outstanding. BPEMS still at early stage of implementation. Will rollout to only a few MDA's.	Progress in rolling out the BPEMs has been slow. A number of technical, contractual, institutional and human resource problems hamper the roll-out of the system.	Low
EXTERNAL OVERSIGHT AND LEGISLATIVE SCRUTINY	There is effective scrutiny of government expenditure. Rating C: Currently independent scrutiny MDA not effective. Laws enacted but at early stage of implementation. AG still severely resource constrained.	The scope and nature of the external audit as well as the legislative scrutiny of the budget and the external audit reports is weak	Low

Note: FRA Rating in 2002 ranged from A (low risk) – C (high risk), whereas the FRA Rating in 2004 was based on the PEFA methodology ranging from A (low risk) to D (high risk). Progress is based on judgement of the evaluator.
Source: (DFID, 2002) and (DFID, October 2005)

TIMELINE FOR IMPORTANT CHANGES IN DFID FROM 1997-2003

Framework	Pre-1997	1997	1998	1999	2000	2001	2002	2003
International Environment	Decreasing ODA funds. IDTs agreed by OECD	HIPC initiative. OECD DAC Peer Review.	IDA Fund. PPIAF	G7 Cologne Initiative. IDTs indicators. Utstein. CDF. PRSP. WTO Seattle.	MDGs. EFA Dakar. PRSPs strategy. Better World for All Statistics.	OECD DAC Peer Review. Doha Round. Global Health Fund	Monterrey. WSSD. G8 African Action Plan for NEPAD. OECD-DAC Rome Agreement.	Int'l Financing Facility
UK Environment	ODA part of the FCO	Elections DFID new Dept. Joined up working of Whitehall Depts.	1st Spending Review, PSA. Increase in dev budget, to achieve UN target. IDA Fund. IDC Montserrat	UK Govt. White Paper 'Public Service for Future'.	2 nd Spending Review, Emphasis on PSA	NAO Performance Review	Case for Aid. Spending Review, £1b for Africa by 06. 0.4% ODA/ GNI by 06. Intl Dev. Act	Int'l Financing Facility
DFID Policy/ Strategy	Focus shifting to poverty. Investing in Social Sectors, SRL. PIMS	W/Paper 1 Pro-poor policies. Conflict Resolution. Transition economies.	Dev in UK. Outcomes/ Impact. Environment. Partnerships. Delegation. Influencing. Joined up working.	1 st PSA for 1999-2002. PIMS. Rights. Trade&Invest Conflict & Humanitarian Assistance.	W/Paper 2. Untying Aid. Decision to support PRSP process	DFID core values. PSAs:SDAs for 2001-04. Decision on aid to LIC. Governance. HIV/AIDS	Decision that CAPs replace CSPs.	PSA/SDA for 03-06

	Pre-1997	1997	1998	1999	2000	2001	2002	2003
Framework Structures	VS/AH HQs, Reg. Offices, some Country offices			New devolved country Office.	PRC approval threshold. More devolved country offices.	Restructuring of: Management Board Sub-Committees; DPC/PRC merged to form DC; APD to TMG; Regional Divisions	Palace St. Smaller Management Board, PSA focus, non-executive directors. Restructuring of Policy Div. PED/DPD. Devolved office	More devolved country offices
Systems	Projects and Programmes GOs/NGOs. Use of IT	ISP: Support for Transition Countries by KH-F	SWAp. PRISM. Intranet in UK. Project scoring. PPI/AF. ATP 3 ISPs Montserrat Emergency Evaluation.	PRISM rolled out. CDC PPP. Sustainable Livelihoods Guidelines. MOU with Rwanda 10 ISPs	APPR GBS. BLCF. 8 ISPs. 7 TSPs. PRISM on Intranet.	GBS procedures APIFF NGOS' PPA. 8 ISPs, 2 TSPs. MICs. EvD status InSight	DDP intro. Development Effectiveness Report. Risk Management Policy. 3 ISP	Strength to Strength. PRFA. DDPS approved. Office Instructors Review. TAPED Risk Reg
Human Resources	UK-national managers, advisers, TCOs, APOs, Consultants.			Management and Dev. APDP. Consultants contracts. Diversity, LEStaff/SAIC	ESM introduced. iIP Triangle of skills.	ESM Progress. AAF/PDP. Advisory Groups, SAIC Diversity	New Permanent Secretary	New Secretary of State

Ghana Programme										Annex G	
Title	Stage	Actual Start	Broad Sector	Commitment	Exp.to Date	Risk	DBS	SWAPS			
Bridges for Feeder Roads	Complete	24-Nov-1997	Economic	1,770,000	1,664,838	Low Risk					
Bridges for Feeder Roads	Complete	26-Mar-1998	Economic	9,938,200	7,899,324	Low Risk					
Programme Aid 1998	Complete	28-Jul-1998	Economic	20,050,000	20,000,000	Not Stated					
Sustainable Timber Solutions	Complete	01-Nov-1998	Economic	419,700	419,700	Not Stated					
Support to Rural Feeder Roads	Operational	01-Apr-1999	Economic	27,295,982	17,800,000	Medium risk				Y	
Support to Rural Roads	Operational	01-May-1999	Economic	5,102,062	3,705,877	Medium risk					
1999 Programme Aid (TC)	Complete	01-Dec-1999	Economic	20,000	11,720	Not Stated					
Roads Sector Evaluation	Complete	27-Apr-2000	Economic	45,000	41,233	Not Stated					
Ghana Trade Policy Project	Complete	15-May-2000	Economic	705,630	705,630	Low Risk					
Programme Aid 2000	Complete	01-Sep-2000	Economic	50,000	46,471	Not Stated					
Ghana Prog. Aid 2000 - 2001	Complete	01-Sep-2000	Economic	55,000,000	55,000,000	Medium risk	Y				
DFID Support Mutualist Empretec Ghana Assoct	Operational	01-Nov-2001	Economic	154,800	24,066	Not Stated					
Programme Aid Grant 2002	Complete	18-Mar-2002	Economic	30,000,000	30,000,000	High risk	Y				
Business Linkages Challenge Fund	Operational	26-Mar-2002	Economic	1,100,000	371,471	Medium risk					
Fair Trade Chocolate	Operational	22-Apr-2002	Economic	150,000	94,678	Medium risk					
100%Debt Relief Policy	Planned	01-Jan-2003	Economic	500,000	433,702	Low Risk					
Support to Private Sector Development	Operational	13-Mar-2003	Economic	455,000	296,775	Low Risk					
Ghana Multi Donor budget support 2003/06	Operational	17-Jul-2003	Economic	110,000,000	80,750,000	Medium risk	Y				
Ghana MDBS 2003/6	Operational	08-Sep-2003	Economic	200,000	117,641	High risk	Y				
Support to Private Sector Dev	Operational	11-Sep-2003	Economic	295,000	255,181	Low Risk					
Support to Business Associations	Operational	19-May-2004	Economic	3,200,000	100,165	Low Risk					
Ghana Trade Policy Project	Operational	27-May-2004	Economic	294,370	283,159	Low Risk					
ODI Fellowship Scheme in Ghana	Operational	08-Sep-2004	Economic	155,400	56,124	Low Risk					
Extractive Industries Transparency Initiative	Operational	10-Nov-2004	Economic	33,500	7,104	Low Risk					
Support to Implementation of GoG Private Sector Strategy	Planned	23-Aug-2005	Economic	100,000	18,391	Medium risk				Y	
Education Sector Support Prog	Complete	01-Jul-1998	Education	15,800,000	15,506,659	Medium risk				Y	
Education Sect Support Prog	Complete	01-Jul-1998	Education	41,000,000	38,158,000	Medium risk				Y	
1999 Programme Aid	Complete	01-Dec-1999	Education	14,000,000	14,000,000	Not Stated				Y	
Support to Education Sector Plan (SESP)	Planned	14-Dec-2004	Education	95,000	78,905	Low Risk					
Ministry Of Education	Operational	07-Mar-2005	Education	2,500,000	250,000	Low Risk					
IMFUNDO partnership for IT in Education	Operational	13-Jun-2005	Education	444,000	6,379	Medium risk					

Annex G

Ghana Programme

Title	Stage	Actual Start	Broad Sector	Commitment	Exp. to Date	Risk	DBS	SWAPS
PRONET:Provn of Water & Sanitin	Complete	01-Jan-1998	Environment	501,000	496,595	Medium risk		
Accra Waste ATP Project	Complete	01-Apr-1998	Environment	2,200,000	1,901,789	Medium risk		
WSIP: PEC Preparation.	Complete	17-Jun-1998	Environment	230,000	25,470	Not Stated		
Water Sector Improvement Project	Operational	01-Jul-1998	Environment	5,915,000	5,296,985	Low Risk		
Water Sector Improvement Project	Complete	01-Jul-1998	Environment	7,735,000	0	High risk		
Volia Hlth Centre Water Supply	Complete	01-Mar-1999	Environment	187,000	0	Not Stated		
Volia Hlth Clinics Water	Complete	01-Apr-1999	Environment	367,000	201,308	Medium risk		
Ghana Borehole Drilling and Monitoring	Complete	01-Jan-2000	Environment	14,000	13,316	Not Stated		
WNAD Dummy code	Complete	01-Apr-2000	Environment		56,251	Not Stated		
Value Added Tax Implementation	Complete	01-Jan-1998	Governance	2,216,053	2,215,942	Medium risk		
Integrated Personnel Payroll Database Replacement Proj	Complete	01-Oct-1998	Governance	1,500,000	1,181,605	High risk		
Integrated Personnel Payroll Database Replacement Proj	Complete	01-Apr-1999	Governance	2,000,000	438,830	High risk		
Ghana Census 2000	Complete	01-Jul-1999	Governance	1,530,000	1,527,020	Medium risk		
Sustainable Development	Complete	01-Jul-1999	Governance		2,276	Not Stated		
Value for Money Assessment Services	Complete	01-Jan-2000	Governance	736,835	736,834	Not Stated		
2000 Elections	Complete	01-Jan-2000	Governance	1,770,000	1,768,629	Not Stated		
Sub-Vented Agencies Ref Proj	Complete	01-Jan-2000	Governance	2,300,000	2,046,137	High risk		
Brong-Ahafo District Services Development Programme	Complete	23-Mar-2000	Governance	1,400,000	1,341,872	Low Risk		
Povety Monitoring Assistance	Complete	04-May-2000	Governance	1,500,000	313,400	Medium risk		
Good Governance Fund	Complete	01-Aug-2000	Governance		162,178	Not Stated		
Debt & Capital Flows Project	Operational	02-Oct-2000	Governance	320,000	239,456	Not Stated		
Project Identification: Security Safety & Accessible Justice	Operational	01-Oct-2001	Governance		51,922	Not Stated		
Security & Accessible Justice	Complete	01-Oct-2001	Governance		0	Not Stated		
Ghana Pov Red Strategy Monitoring and Analysis Projec	Operational	01-May-2002	Governance	1,926,000	901,466	Low Risk		
Support to Ministry of Finance	Complete	01-Jul-2002	Governance	200,000	147,664	Not Stated		
Support to Ministry of Finance	Complete	20-Sep-2002	Governance	500,001	500,000	Not Stated		
Ghana Poverty Reduction Strategy Inception Phase	Complete	04-Nov-2002	Governance	1,593,000	956,182	Low Risk		
Integrated Personnel Payroll Database2 Deployment Proj	Complete	31-Mar-2003	Governance	2,319,000	215,281	High risk		
Preparation for Multi Donor Budget Support Programme	Complete	04-Jun-2003	Governance	100,000	98,018	Low Risk		
Public Sector Reform Review	Complete	23-Jul-2003	Governance	100,000	83,243	Low Risk		
Support to Ghana Integ Init	Complete	29-Jul-2003	Governance	110,000	109,849	Low Risk		
DFID Support to Senior Minister	Complete	19-Aug-2003	Governance	446,230	491,591	High risk		

Annex G										
Ghana Programme										
Title	Stage	Actual Start	Broad Sector	Commitment	Exp.to Date	Risk	DBS	SWAPs		
Gov Research & Advoc Prog	Operational	10-Feb-2004	Governance	1,500,000	840,360	Low Risk				Y
Ghana Poverty Reduction Strategy Extension Phase	Operational	12-Feb-2004	Governance	470,000	0	Medium risk				
Ghana Poverty Red Stratgy Pov Monitoring & Evaluation	Operational	29-Apr-2004	Governance	30,000	6,613	Medium risk				
Drivers of Change Study	Complete	21-May-2004	Governance	130,000	117,071	Low Risk				
Support to Ghana African Peer Review Mechanism	Complete	28-May-2004	Governance	160,000	120,947	Medium risk				
Support to Ghana Elections 04	Operational	10-Aug-2004	Governance	145,000	143,026	Low Risk				
Support to Ghana Elections	Complete	21-Oct-2004	Governance	1,600,000	1,600,000	Low Risk				
Public Finance Mangmnt Adviser Multi Donor Budget Sup	Operational	10-Nov-2004	Governance	170,000	85,936	Low Risk				
IPPD STABILISATION PROJECT	Operational	30-Mar-2005	Governance	764,000	104,628	Medium risk				
Support to MPSR	Operational	01-Aug-2005	Governance	450,000	350,000	Medium risk				
Procurement Act Support	Operational	22-Aug-2005	Governance	118,000	13,575	Medium risk				
UNICEF-Vaccines&Drugs	Complete	16-Apr-1997	Health	1,761,200	1,760,961	Not Stated				
HSAP:Medical Equipment Review	Complete	01-May-1997	Health	0	31,611	Not Stated				
UNICEF:Nutritionl assmnt	Complete	07-Jan-1998	Health	6,700	6,608	Not Stated				
Replacement of Elec Equipment	Complete	01-Oct-1998	Health	72,000	21,317	Not Stated				
HIV/AIDS Support	Complete	06-Mar-2001	Health	250,000	249,370	Not Stated				
Ghana HIV/AIDS programme	Operational	01-Jul-2001	Health	3,482,000	1,740,000	Low Risk				
Ghana HIV/AIDS programme	Operational	01-Jul-2001	Health	10,000,000	7,919,760	Low Risk				
DFID support to UNVO for HIV/AIDS promotion in Africa	Complete	01-Oct-2001	Health	70,000	70,000	Not Stated				
UNV HIV Aids (Rawlings)	Complete	01-Oct-2001	Health	70,000	0	Not Stated				
Ghana Health Sector Programme TC	Operational	30-Jun-2002	Health	10,000,000	4,555,308	Low Risk				
GhanaHealth Grant 2002 2006	Operational	30-Jun-2002	Health	30,000,000	22,000,000	Low Risk	Y			Y
Project identification	Complete	01-May-1997	Other	0	61,674	Not Stated				
Poverty Monitoring	Operational	01-Jan-1999	Other		134,470	Not Stated				
Emergency Food and Seed Distribution	Complete	01-May-1997	Rural Livelihood	40,000	40,000	Not Stated				
Seed&Food Distribn-Bawku	Complete	01-Jul-1997	Rural Livelihood	100,000	100,000	Not Stated				
Renewable Natural Resourc	Complete	12-Jan-1998	Rural Livelihood	200,000	173,107	Not Stated				
Forestry Sec Dev Phase II	Operational	18-Mar-1999	Rural Livelihood	8,267,000	7,768,487	Medium risk				
Rural Livelihoods Coordinator	Complete	14-Sep-1999	Rural Livelihood	797,000	688,775	Not Stated				
Forest Sector Development	Complete	19-Jan-2000	Rural Livelihood	3,000,000	3,000,000	High risk				

Ghana Programme		Annex G									
Title	Stage	Actual Start	Broad Sector	Commitment	Exp. to Date	Risk	DBS	SWAPS			
Forest Sec Dev Proj Phase II	Operational	23-Aug-2000	Rural Livelihood	4,565,000	4,556,523	Medium risk					
Support to Agricultural Ser Sub-Sec Invest Prog Process	Complete	01-Sep-2000	Rural Livelihood	1,000,000	988,937	Low Risk					
Ghana Rural Financial Services	Complete	01-Dec-2000	Rural Livelihood	20,000	19,984	Not Stated					
Social Development Advice	Complete	01-Aug-2001	Rural Livelihoods		40,080	Not Stated					
Land Administration Project	Operational	08-Sep-2003	Rural Livelihood	440,000	94,037	High risk					
Land Administration Project	Operational	06-Oct-2004	Rural Livelihood	5,620,000	1,119,633	High risk					
Civil Society Rights & Voice Fund	Operational	14-Jul-2004	Social	4,800,000	235,571	Medium risk					
Water Sector Improvement Project	Operational	17-Nov-2004	Social	300,000	53,305	Low Risk					

Annex H: DFID Ghana Expenditure

Financial year	1998/9	1999/00	2000/1	2001/2	2002/3	2003/4	2004/5	2005/6
<i>£ million</i>								
CSP 1998¹								
Total	35.7	37.9	44.0	43.3				
<i>Current & Future</i>								
Public Sector & Financial reform	3.2	5.6	4.3	4.3				
Forestry	3.7	2.0	2.0	2.0				
Agriculture	0.5	0.5	2.0	2.0				
Rural Infrastructure	5.4	6.2	10.7	10.0				
Water	3.7	4.6	5.0	5.0				
Education	10.3	10.0	10.0	10.0				
Health	6.5	8.0	9.1	10.0				
Small enterprise	0.4	0.4						
ATP Grants	2.0	0.6						
CAP 2004²								
Total					33.65	50.20	35.53	
Enabling Environment					1.28	1.14	0.25	
Governance					3.182	4.069	1.78	
Forestry					1.3	1.0	1.0	
RL + Agriculture					1.44	6.0		
Rural Infrastructure					6.2	8.6	12.5	
Water					0.25	9.39		
Education					8.0	8.0	8.0	
Health					8.0	8.0	8.0	
HIV/AIDS					4.0	4.0	4.0	
Expenditure³								
Total			69.6	51.6	52.9	58.0	66.4	

¹ CSP 1998, Annex 2, figures for Current and Future Total Disbursement for 1998/9 to 2001/2

² CAP 2003, Annex 3, Country Plan Expenditure Profile 2003-06

³ DFID Departmental Report 2005. Annex 1, Table 4

Annex H: DFID Ghana Expenditure

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Forestry	3.7	2.0	2.0	2.0				
Agriculture	0.5	0.5	2.0	2.0				
Rural Infrastructure	5.4	6.2	10.7	10.0				
Water	3.7	4.6	5.0	5.0				
Education	10.3	10.0	10.0	10.0				
Health	6.5	8.0	9.1	10.0				
Small enterprise	0.4	0.4						
ATP Grants	2.0	0.6						
CAP 2004²								
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² CAP 2003, Annex 3, Country Plan Expenditure Profile 2003-06

³ DFID Departmental Report 2005. Annex 1, Table 4

DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

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- reduce child death rates
- improve the health of mothers
- combat HIV and AIDS, malaria and other diseases
- make sure the environment is protected
- build a global partnership for those working in development.

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