

**Effective States and Engaged Societies:**

**Capacity Development for Growth, Service Delivery,  
Empowerment and Security in Africa:**

*The Case of Ghana*

**Desk Study**

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## List of Acronyms

CMA	Central Management Agencies
CPIA	Country Policy and Institutional Assessment
ERP	Economic Recovery Program
GDP	Gross Domestic Product
GoG	Government of Ghana
GPRS	Ghana Poverty Reduction Strategy
HIPC	Highly Indebted Poor Countries
IMR	Infant Mortality Rate
NER	Net Enrolment Ratio
NGP	National Governance Program
NIRP	National Institutional Renewal Program
MDA	Ministries, Departments and Agencies
MLGRD	Ministry of Local Government and Rural Development
MMR	Maternal Mortality Rate
OED	Operations Evaluation Department
PUFMARP	Public Finance Management Reform Program
PUSERMOS	Public Sector Re-invention and Modernization Strategy
PSMRP	Public Sector Management Reform Program
SA	Sub-vented Agency
SSA	Sub-Saharan Africa
UNECA	United Nations Economic Commission for Africa

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## 1.0 Introduction

### 1.1 Background and Purpose of the Country Studies

The World Bank has launched an Operational Task Force on Capacity Development in Africa to review and update the Bank's approach to helping develop the capacities of African states and societies to secure the economic and social fundamentals of poverty reduction. The Task Force is focusing on the practical and operational challenges of improving the responsiveness, efficiency, and efficacy of Bank support for Africa's ongoing capacity development efforts.

The Task Force relies on extensive consultations with African institutions and on three main study methodologies: a review of the literature on capacity development achievements and challenges; a set of sector and thematic studies; and a set of fourteen country specific desk and field studies. The purpose of the case studies is to:

1. Understand the trajectories of capacity development in different country situations, including the political economy and path dependence of capacity development and the way capacity development initiatives add-up in terms of country level impact on institutional endowment and related development outcomes such as service delivery, empowerment and investment climate.
2. Relate capacity development outcomes, inputs, processes and interventions in individual countries to lessons learned about what works in capacity development and to visions of good capacity development in Africa. The aim is to document and explain progress and setbacks in individual countries relative to international benchmarks and goals of capacity development.
3. Explore specifically the role of aid and donors, notably the World Bank, as providers of inputs and interventions into capacity development decisions and processes at regional, country, sub-national and sector levels.

### 1.2 Methodology

There are three different types of country case study: In-depth Country Studies in Africa, Country Desk Studies in Africa, and Two In-depth Case Studies Outside Africa. Countries have been chosen to reflect four different typologies representing different capacity development trajectories. The table below summarizes the country studies and their different classifications.

Different country situations of capacity development	1) In-depth country studies (Africa)	2) Country desk studies (Africa)	3) Countries outside Africa
1. Sustaining capacity to reform	Botswana	Mauritius	Malaysia, Sri Lanka
2. Momentum for comprehensive transformation	Tanzania	Ethiopia, Uganda	
3. Diverse entry points to capacity development	Burkina Faso	Benin, Ghana, Malawi, Madagascar	
4. Building the basics after conflict	Rwanda	Mozambique	

The country case studies follow similar methodologies including a review of available reports and evaluations on capacity development in each country (including reports from African researchers

where available) and examination of quantitative indicators of capacity development. In-depth field studies, encompass key informant interviews with other external agencies involved in supporting capacity development as well as researchers, civil society organization staff, and, especially, key officials of the national government. In-depth studies also identified additional documentary evidence and drew on local studies of indicators of capacity development.

## **2.0 Indicators of Capacity Development in Ghana**

Annex 1 provides a series of charts and tables summarizing readily available quantitative data on the capacity development situation in Ghana over time. These relate to the capacities of individuals and of the state (including its relations with citizens).

### **2.1 Human Capacity**

#### *a) Health*

Ghana is one of the few African countries in the study sample which can report an increase (Figure 1) in life expectancy at birth from 1980 to 2002. On the other hand, it has seen a decline in life expectancy since 1995 although it remains significantly higher than the Sub-Saharan Average (SSA). Similarly, Ghana recorded a major improvement in its infant mortality rate (Figure 2.) which fell to 60 per 1000 live births by 2000 compared to an average of 103 for SSA. HIV/AIDS prevalence rates were well below the average for Sub-Saharan Africa in 2000.

Progress in the recent past has been much more problematic. Child malnutrition was higher in 2004 than a decade earlier, under-five infant mortality was higher than five years earlier and maternal mortality had not declined in the previous five years. These indicators at least suggest that efforts at strengthening state capacity at an overall level were apparently not effecting quality of service delivery in health.

#### *b) Education*

Ghana, unlike other countries in Sub-Saharan Africa, has not aggressively pursued universal access to public primary education. Its Net Enrolment Ratio (NER) for primary education is well below the average for Sub-Saharan Africa, although its NER for secondary education is much closer to the average. At the same time, between 1970 and 2000, Ghana achieved a massive increase in the number of students enrolled in tertiary education - from 5,426 in 1970 to 64,098 in 2000. Its ratio of students in tertiary education to every million persons in the population (at over 2000) is one of the highest in Sub-Saharan Africa.

Documents reviewed for this case study point to Ghana's tradition of developing cadres of highly educated and effective professionals in such fields as medicine and law. Clearly, Ghana should be providing a steady flow of students with tertiary education qualifications to support national capacity development strategies and programs. Unfortunately, significant "brain drain" problems and difficulty in retaining trained professionals are compounded by poor pay and opportunities in the public sector and the relative under-development of the private economy.

One reason for the recent relatively poor results in indicators of health and education in Ghana may be found in the level of investments in social services. According to the *Ghana Poverty Reduction Strategy 2002-2005* spending on health and education at 2.0% and 2.8% of GDP respectively are much lower than African averages with a disproportionate amount of the resources used for personnel emoluments and administration. (p.II).

*c) Summary: Human Capacity*

Indicators of education and health status in Ghana point to a situation in which prior gains in outcomes (and presumably service delivery effectiveness) seem to be either stagnant or deteriorating in recent years - with the notable exception of tertiary education. The trajectory of capacity development at its most basic level has not been responsive to more macro efforts to improve, for example, public expenditure planning and management.

In terms of the relationship between state effectiveness and engaged civil society, the same indicators point to a situation in which key stakeholders and beneficiaries have apparently not been able to secure improved access to quality social services.

## **2.2 Measures of State Capacity**

There are regular ongoing efforts to monitor state effectiveness, transparency and accountability to citizens in Africa. Four different sets of data are available to assess state capacity. These are:

1. The number of Highly Indebted Poor Country (HIPC) benchmarks met in the area of Public Expenditure Management;
2. Governance indicators as reported by the United Nations Economic Commission for Africa (UNECA) using data gathered in 2002;
3. Results of Country Policy and Institutional Assessments (CPIA) of SSA countries; and,
4. Country rankings reported in “Governance Matters IV: Governance Indicators for 2002-2004” by Daniel Kaufmann, Aart Kraay and Massimo Mastruzzi, 2005.

### *2.2.1 HIPC Benchmarks Met: 2001-2004*

Ghana made a major improvement between 2001 and 2004 in the overall number of HIPC benchmarks met under the general heading of Public Expenditure Management (Figure 9). This improvement was recorded (Figure 10) in all three elements of the PEM process - budget formulation, execution and reporting.

### *2.2.2 UNECA Governance Indicators*

By 2002, when UNECA gathered its data on governance, Ghana was highly rated in almost all categories when compared to the 23 countries surveyed. The following table presents its score and relative ranking in relation to some key dimensions of state effectiveness:

<b>Governance Dimensions</b>	<b>Ghana Ranking (1=Highest)</b>	<b>Ghana Score</b>
Institutional Effectiveness	2	63
Legislature Effectiveness	2	74
Judiciary Effectiveness	3	64
Respect for Rule of Law	2	63
Civil Service Transparency/Accountability	2	60
Attractiveness of Investment Policies	3	69
Control of Corruption	3	57

From the perspective of UNECA, Ghana represents one of the best governed countries in SSA, not only in terms of effectiveness but in terms of transparency and accountability - suggesting that it would fit into the upper right quadrant of an effort to measure both dimensions.

### 2.2.3 CPIA Ratings - Selected Questions

The actual CPIA ratings by area and by question are not public information and cannot be referred to specifically in these country case study reports. However, it is worthwhile to briefly review how Ghana fares under the overall heading of Public Sector Management and with reference to three key questions.

For public sector management as a whole Ghana's rating was the same in 2004 as it had been in 1999, regaining ground lost from slight declines in 2001 and 2002. For three critical questions relating to 'Building Human Resources', 'Property Rights and Rules Based Governance', and 'Transparency, Accountability and Corruption Control', Ghana retained its positive ratings across the 1999 to 2004 time period. From a CPIA perspective, at least, Ghana rates as one of the most effective and open of the countries in the African sample.

### 2.2.4 Governance Matters IV: Governance Indicators for 1996 to 2004

The study team reviewed six different dimensions of state effectiveness, accountability and openness. Three of these related directly to state effectiveness and three to citizen rights, accountability and voice: [Control of corruption is a matter of societal engagement since its effect is often to exclude private citizens and firms from their rightful access to state services].

State Effectiveness	Citizen Rights, Accountability and Voice
1 Political Stability	4. Control of Corruption
2. Government Effectiveness	5. Rule of Law
3. Regulatory Quality	6. Voice and Accountability

The governance matters data measure a country's relative position against a wide range of countries and do not provide an absolute measure of progress or decline. Nonetheless it is worth pointing out that Ghana maintained its relative position in two of the three indicators of state effectiveness but declined slightly under regulatory quality. In measures of citizen's rights, accountability and voice, Ghana made a small relative improvement in control of corruption, stayed approximately steady under rule of law. It also made a major improvement in its ranking under voice and accountability.

### 2.2.5 Summary: State Capacity

Under measures related to state capacity such as HIPC benchmarks and CPIA ratings, Ghana has either made progress or held its relatively strong position between 1998 and 2004. Survey studies of governance also indicate that Ghana has made improvements in both state effectiveness and in accountability and voice. Using these indicators Ghana seems to be on a positive trajectory toward both improved effectiveness and at least the openness to more engaged civil society.

Unfortunately, micro-level examinations of the results of capacity development programs and projects as highlighted below point to serious problems in efforts to reform the public service in Ghana. They also suggest that those macro level improvements in capacity which may have occurred at a headquarters level in the national government are having less effect on the quality of services delivered to poor Ghanaians. This suggests further that improving Ghana's state capacity and willingness to entertain more citizen engagement has not led to more effective civil society engagement at a grass roots level, especially among the rural poor.

### 3.0 Trajectories and Accountabilities

#### 3.1 The Trajectory of Capacity Development Since Independence

##### 3.1.1 Historical Context and Capacity at Independence

Prior to independence, under British Rule, Ghana was perhaps Africa’s most prosperous colonial economy, with the best schools and civil service, a cadre of enlightened lawyers, and a thriving press. Popular pressure on the colonial administrations led to political concessions, and then to Ghanaian independence in 1957 - the first colony to gain post-colonial independence in Sub-Saharan Africa. In common with many other countries in the region, Ghana suffered from serious post-colonial political instability, experiencing nine changes of government and four military coups in the 26 years between 1957 and 1983.

Ghana’s immediate advantage in terms of government capacity at independence was severely undermined by political instability through the 1960s, 1970s and early 1980s. In the period from 1984 to 1992, economic crises and the response of structural adjustment which led to “first generation” civil service reform dominated capacity development strategies and progress in Ghana.

##### 3.1.2 Key Points in State Capacity Development in Ghana

The following key dates are milestones in capacity development in Ghana since independence:

- 1957-1983: Extreme political instability, four coups and four military governments (nine regimes/governments in all) in 26 years, extensive problems with corruption.
- 1982: Rawlings government began ten years of military rule.
- 1983: Announcement by the GoG of the Economic Recovery Program (ERP) and entry by Ghana into Africa’s longest standing program of structural economic adjustment.
- 1983-1992: Implementation of the ERP with measures to establish macroeconomic stability, increase revenue generation, reduce public sector spending, improve exchange rate management and liberalize trade.
- 1992: New national Constitution and multi-party elections. Under the new constitution, Parliament was given more powers to veto policy proposals which had previously been largely driven by technocrats who enjoyed the support of the military.
- 1990-94: Worsening macro-economic situation and suspension of financial support on several occasions by the Bretton Woods institutions. For example, an 80% pay-hike for civil servants raised the wage bill to 8% of GDP and control of recruitment collapsed and by the mid 1990s central government employment was back at 330,000.
- 1994: Creation of the National Institutional Reform Program (NIRP) to encompass and give direction to reform projects and programs already under way.
- 1997: Public Sector Re-Invention and Modernization Strategy for Ghana (PUSERMOS). The strategy focused on five service environments and five areas of transformation.

Service Environments	Transformation Areas
<ul style="list-style-type: none"> <li>○ Central Management Agencies;</li> <li>○ The Civil Service;</li> <li>○ Sub-vented Agencies;</li> <li>○ Local Government; and,</li> <li>○ State owned enterprises</li> </ul>	<ul style="list-style-type: none"> <li>○ Institutional structures;</li> <li>○ Human Resources;</li> <li>○ Processes and systems;</li> <li>○ Accountability and Performance; and,</li> <li>○ Public/Private partnership relationships</li> </ul>

PUSERMOS represented a culmination of efforts to reform and modernize the public service in Ghana in the late 1990s and early years of the new century. It had the following components:

- The Public Sector Management Reform Program (PSMRP) launched in 1999;
- The Civil Service Performance Improvement Program launched in 1996;
- The Public Financial Management Program (PUFMARP) launched in 1997;
- The National Governance Program (NGP); and
- Decentralization.

The results of these efforts at reform have been mixed at best. A report on *Strategies for Public Sector Reform* completed for the GoG in 2003 concluded that the government had lost direction or lacked the requisite commitment and that the planned reforms had failed to meet their desired objectives. Stevens and Teggemann (2004) note that reforms in Ghana did not lead to meaningful reductions in the civil service because of transfers to sub-vented Agencies (SA). They estimate the total size of the public sector at about 600,000 personnel and 300 SAs.

### *3.1.3 Critical Drivers of Capacity Development*

External evaluations and assessments of Ghana's progress in developing state capacity have cited the following **key** drivers of its reported relatively poor performance :

- lack of political commitment among parliamentarians (some see the re-establishment of parliamentary democracy as the beginning of a process undermining state reform);
- influence of interest groups protecting wages and positions;
- absence of managerial support at the highest levels in the public service;
- design of programs with technical management units outside the Ministries, Departments and Agencies responsible;
- bad-timing of reforms so that they encounter economic crises and unpredictable flows of resources;
- in Ghana in particular, over-reliance on external, donor funded consultants to develop strategies, programs and projects;
- poor and inadequate sequencing of reforms so that too much is tackled too soon, without the possibility of "quick wins" and overwhelming the capacity which already exists.

### *3.1.4 Stakeholder Involvement*

There are a number of different assessments of the role and strength of non-state actors and their involvement in processes such as the development of the Poverty Reduction Strategy.

Kiragu, Mukandala and Morin (2004) assessed the strength of civil society generally and specifically of trade unions, media, and opposition parties in eight African countries. They rated Ghanaian civil society fairly strong in general terms (on a three point scale of weak, fairly strong and strong) and applied the same rating to its trade unions and opposition political parties. Media were assessed under the headings controlled/not free, fairly free, and free with Ghana's rated as fairly free (p.141).

The same authors classify Ghana as politically reactive with low levels of institutionalization of democratic capacities and high levels of competitiveness in terms of party politics and ethno-geographic competition for resources. This corresponds to reports that Ghana's progress in

public service reform has been somewhat slower under parliamentary democracy due to the increased ability of elites and organized interests such as trade unions to secure more resources.

Barkan, Ademolekun and Zhou (2004) compared the emerging power of legislatures in Senegal, Benin, Ghana and Kenya. The countries were selected based on earlier studies which suggested they were more advanced than many other African countries. They examined three different facets of legislative power: Independence and overall strength (Ghana rated as *emerging*); constitutional role (Ghana rated *semi-independent*), and ability to amend or modify budgets (Ghana rated *occasionally*). Looking across the four countries, Ghana and Benin had the same rankings, Kenya's parliament was seen as stronger and Senegal's as much weaker (p.215).

The *Ghana Poverty Reduction Strategy* (GPRS) 2003-2005 describes a fairly extensive process of stakeholder consultations which is further noted in the World Bank Country Assistance Strategy. Stevens and Teggemann (2004) report that Ghana widely engaged the public in the early stages of public sector reform programming but lost momentum after that. Consultations included social impact assessments, participation by trade unions in Alternative Employment Committees and tools for beneficiary assessment which were made available by the NIRP Secretariat to change management teams in individual MDAs. There is apparently an intention in some MDAs to assess progress in service delivery through annual service delivery surveys with beneficiaries.

Assessments and evaluations of efforts to improve quality and access in basic education, primary school development and vocational training have reported that they have had negligible or modest effect on capacity building for direct service delivery. Similar evaluations by OED at the World Bank, by DFID and by Danida have reported more positive results in tertiary education (where a role for the private sector was promoted) in health and in road transportation.

It seems that Ghana, at least by 2004, was possessed of a relatively strong and independent parliament (although one in which MPs were low paid and under-resourced). It also had relatively strong trade unions, civil society organization, and political opposition parties, and a relatively open government. This raises the question as to why virtually all assessments of Ghana's efforts to reform the civil service and improve state effectiveness report mainly negative results.

### *3.1.5 Donor Involvement and Aid Modalities*

Ghana benefits from a very high level of external donor involvement and is highly aid dependent. Donor contributions reached a staggering 41 percent of total budget receipts in 2001.

Walters (2005) and OED (2004) have examined the different aid modalities and the role of donors and their impact on capacity development in Ghana. Walters concludes that the Multi-Donor Budget Support (MDBS) program has had a positive impact on the GoG's capacity to manage predictable aid flows. He also reports that MDBS (in conjunction with other capacity development programs and projects) has helped to build the capacity of government to plan and coordinate. In particular, he contends the planning, human resource management and financial management capacities of the Ministries of Education and Health as they participate in MDBS, are more advanced than for other Ministries, Departments and Agencies (MDAs).

While support by MDBS may have had a positive impact on capacities in the Ministries of Education and Health, it is important to note that planning, Human Resource Management, donor coordination and implementation capacities in the Ministry of Health were all being supported under the existing SWAp, prior to the advent of MDBS.

The Ministries of Health and Education also hold annual planning and review summits in consultation with both donors and civil society organizations.

Walters argues that MDBS, through the use of disbursement triggers linked to priority areas of institutional strengthening, has the potential to be more effective than project support in assisting Ghana to develop capacity. He also makes a case for the added benefit of placing responsibility for accountability and performance with the executive and parliament rather than donors.

Other evaluations of Direct Budget Support and Sector-Wide Approaches have questioned the ability of these aid modalities to contribute effectively to capacity development. *The OED Review of World Bank Support to Capacity Building in Africa : The Case of Ghana* (2005) noted:

**There appears to be an inherent problem of building human resource capacity through sector-wide or budget support.** Traditionally, a great deal of effective capacity building was done informally by experienced task managers working closely with technical counterparts over an extended period of time on specific issues. The sector wide or programmatic approach diminishes these opportunities for several reasons. First, the whole dialogue shifts from the technical level to the policy level. Second, there is less project supervision of specific investment activities. (p.36).

### *3.1.6 Classifying Ghana's Country Situation of Capacity Development*

Ghana was classified for purposes of sample selection as a country in category 3: Diverse Entry Points to Capacity Development with a focus on public expenditure management, customs services and regulation. The documents reviewed for this case study strongly suggest that Ghana's efforts at public sector reform and capacity development since at least 1994 have been both overly ambitious and too broad, with inadequate sequencing in their design and implementation. In essence, Ghana appears to have entered into national programs of capacity development and reform of the state which outstripped the level of commitment and support available from the executive, the parliament, political parties and effectively organized interest groups in civil society.

In terms of the typology presented in Section 1.0, Ghana has appeared to pursue a strategy of comprehensive transformation of the state without the necessary broad base of political and social support. The documents reviewed for the case study argue strongly for a more focused, more carefully sequenced, and more modest strategy of public sector reform and capacity development in Ghana.

## **3.2 Checks and Balances**

### *3.2.1 Formal Constitutional and Political Checks and Balances*

The re-establishment of parliamentary democracy in 1992, along with the Constitution of the same year, re-introduced one of the most fundamental forms of check on the national Executive. Parliament's over-sight and control role has been undermined somewhat in Ghana by the lack of resources available to MPs and committees (Kiragu, Mukandala and Morin, 2004), and by the extensive resources flowing to the sub-vented agencies, which are off-budget (Walters, 2005).

Stevens and Teggemann examined Ghana's progress in implementing three forms of controls in Ghana: linking the MTEF to performance management; expanding coverage of existing

integrated personnel and payroll data bases; and, performing stakeholder analysis and consultations (social and beneficiary analysis).

They noted that the MTEF, although operational since 1999, was not yet linked to performance management; that the integrated payroll and personnel data base only covers part of the public service; and that there is little control over staffing levels and fraud. However, social assessments had been carried out in the PSC, two ministries and five sub-vented agencies and there was stakeholder participation during the preparation of the social and beneficiary analyses.

The 1992 Constitution explicitly committed the Government of Ghana to a program of decentralization to District level (with an intermediary mechanism of Regional Councils supporting the District Assemblies) and a series of capacity development and technical assistance programs for decentralization have been launched in the intervening period with strong support from the donor community. Decentralization should represent another form of control and a further check on the actions of the executive as Regional Councils and District Assemblies gain in capacity. On the other hand, the pace and depth of decentralization (along with the level of national government commitment) has been seriously questioned (see section 4.0 below)

### **3.3 Summary: Trajectory of Capacity Building**

Ghana entered into the first phase of capacity re-building with the Economic Recovery Program announced in 1983. This program linked together economic restructuring and the creation of a more open, liberal economy to first generation reforms of the public sector which focused on retrenchment and re-deployment of civil servants, reduction of the overall wage bill, and privatization of state owned enterprises. By 1992, popular demand for parliamentary democracy led to its restoration and eventual deepening through three subsequent elections. The early and mid-1990s saw the launching of comprehensive second generation reforms including improvements in all aspects of public expenditure management, linking the MTEF to performance targets, a commitment to targeted pay reforms, decentralization and improvements in controls and checks and balances. These second generation reforms also included limited efforts to include consultations with stakeholders and beneficiaries and to increase accountability to them.

Assessments of many of these reform efforts by 2002-2004 suggested that they lacked essential GoG commitment, that they had been consistently and successfully resisted by interest organizations and by some MDA, and that they had been ambitious. In short, Ghana seemed to have made decisions (with donor support) which meant its trajectory of capacity building and reform of the state to improve the effectiveness of services was not sufficiently focused on specific entry points. Ghana has pursued a strategy of comprehensive state transformation without the broad-based political and administrative consensus required to sustain it.

### **4.0 Entry Points For Capacity Development**

Since 1994 Ghana has been pursuing a strategy of capacity development at multiple levels and with a wide array of donor support. In order to deal succinctly with the broad focus of capacity development strategies and activities in Ghana, this Section is divided as follows:

- Efforts to transform the operation of the central government and public service;
- Efforts to decentralize and promote community driven development; and
- Sector-specific capacity development efforts.

## 4.1 Public Sector Reform

As noted above, since the advent of NIRP in 1994, Ghana has launched a series of wide-ranging public sector reform programs aimed at:

- improving national planning and budgeting;
- reforming public sector pay and linking it to labor market norms in an effort to combat corruption;
- reducing the overall size of the public service, nurturing public-private cooperation;
- reforming sub-vented agencies and bringing them under budgetary control;
- developing personnel sanctions and rewards and linking them to performance and management;
- linking budgets and the MTEF to MDA performance; and
- including stakeholders and beneficiaries in a process of consultation for monitoring social impact and service delivery.

Unfortunately, most external evaluations and assessments have found the results of this lengthy effort in state transformation to be disappointing. Examples include:

*Stevens and Teggemann (2004)*

Second-generation reform programs in SSA are tackling a wider range of issues than did first-generation reforms, and clearly they are relevant ones. Success is still elusive in many countries, however. Of the three countries examined in this chapter, [Tanzania, Ghana, Zambia] Ghana has been the most disappointing case and stands in stark contrast to the early days of structural adjustment when Ghana was seen as a leader in SSA. (p.82)

*GoG Public Sector Reform: Towards a Future Strategic Framework (2003)*

The inability of the reform programs launched in the late 1990s to stem the tide of decline in the public service are manifested in several aspects of the state of Ghana's public sector and capacity to deliver government programmes .. the problems and issues that epitomize the failure of the current reform programs fall under the following headings:

- Macro-economic and fiscal instability in recent years;
- Capacity gaps in the public services;
- Prevailing low morale in the public services;
- Weak human resource management systems and practices;
- Doubts about the relevance and worth of the reforms; and.
- Sector programs struggling individually with institutional reforms. (p.7.)

*Independent Review of World Bank Support to Capacity Building in Africa: The Case of Ghana (OED) (2005)*

Programs to rationalize organizational mandates and functions and re-build human capacity in the civil service, ministries and sub-vented agencies have been a priority for

the Bank and other donors throughout the 1990s although they have largely failed to deliver significant improvements. (p.12).

## **4.2 Decentralization**

Decentralization has been a central element in the national capacity development and public sector reform strategy since 1992 and is enshrined in the national Constitution. Decentralization is a core element in second-generation reforms throughout SSA and is often associated with increased voice and accountability by bringing governance closer to beneficiaries.

Nielsen (2005) undertook an assessment of progress in decentralization and concluded:

In Ghana significant progress has been made in terms of establishing the legal framework as envisaged in the 1992 Constitution, the detailed Local Government Act of 1993, and most recently the Local Government Services Act, 2003. However, implementation remains a challenge and the policy framework has remained weak until the new development of the National Decentralization Action Plan (NDAP). Still, issues remain of building a national level coalition to implement the plan, particularly in persuading decentralized Ministries to buy into the process.

A major continuing constraint to decentralization in Ghana is the ability of decentralized Ministries to side-step planning and control by the regional and district bodies of the MLGRD. Decentralization has been also been unable to exert any direct impact on the quality of public services delivered at the local level.

## **4.3 Sector-Specific Capacity Development Initiatives**

There have been ongoing efforts to develop capacity and improve performance on a sectoral level. This section briefly examines capacity development in health, education, water and roads.

At the service delivery end of the spectrum, the Ministry of Health has apparently seen more improvement while results in the capacity and quality of service in the education system have been very mixed with more being achieved in tertiary education than in basic, primary and secondary education. One criticism of the donor supported sector-specific capacity development programs has been their concentration on strengthening planning and management systems at headquarters with fewer resources and much less impact at the classroom or health post level.

Sector-specific capacity development support in Ghana has been rated most effective (Walters 2005, OED 2005) when it is operationally focused on specific MDAs whose mandates and functions are clearly specified and when it has limited goals. For these reasons, the most successful sector-specific capacity development programming has been in smaller and more focused MDAs such as those responsible for trunk roads and for water supply management.

Finally, sector-specific initiative have reportedly suffered from the absence of cross-linkages between up-stream efforts to reform the administration and pay of the public service as a whole and actions directed at capacity development in a single sector or agency.

## **5.0 Program Design, The Role of Aid and Evaluation**

### **5.1 Program Design**

Capacity development programs and projects supported by external agencies have a very mixed record in terms of design, execution and evaluation. Key design flaws noted in the evaluations and reports reviewed include:

- Lack of a realistic needs assessment;
- Lack of an assessment of economic conditions and political commitment to change;
- Lack of a focus on results;
- Inappropriate assumptions;
- Consultant-led program design processes and,
- Over-ambitious objectives and unrealistic time frames without appropriate sequencing.

### **5.2 The Role of Aid**

As already noted, Ghana is both highly aid dependent and a favored partner of a wide range of multilateral and bilateral development partner agencies. Evaluations of external aid to capacity development in Ghana have commented on its changing role:

- The shift to programmatic aid forms has had the effect of helping to strengthen the role of some MDAs in program planning, budgeting, monitoring and evaluation;
- At the same time, programmatic support has shifted donor-partner dialogue from technical areas into policy and overall management, with a related weakening of donor ability to directly support capacity development (OED 2005). It is worth noting, however, that basket funding partners for the health sector SWAp (the Netherlands, Denmark, the EU and the World Bank) have technical health sector support staff located in Accra. They are reportedly able to coordinate their technical assistance in the health sector on a day-to-day basis;
- Project and other forms of direct support continue in parallel to programmatic forms. The 2005 budget reports over 500 current donor projects worth a total of over \$500 million;

There is a continuing commitment to providing support to efforts to build capacity and to transform government services in Ghana on the part of multilateral and bilateral aid agencies. There is also a strong movement to better donor coordination either through the Multi-Donor Budget Support Program or through sector-specific donor-government coordination groups.

### **5.3 Capacity Development and Monitoring and Evaluation**

Performance tracking and management has been an element in the second-generation public sector reform programs launched in Ghana with considerable donor support. This has extended to efforts to measure quality of service by surveying key stakeholders and beneficiaries.

At the same time, it has also been seen that performance management and tracking, including use of evaluation and consultation with key stakeholders and beneficiaries, has been implemented very slowly and has yet to take root in many of the MDAs. There has also been no reported success in linking the Medium Term Expenditure Framework for MDAs to efforts to measure performance.

The shift to programmatic support by many donors has helped to reduce the transaction costs of evaluation for the GoG and has the potential to shift accountability from donors to the executive and to help develop capacity in monitoring and evaluation, but there is little evidence yet that donors are willing to shift accountability and responsibility for M&E to the government. Donor agencies continue to commission and carry out their own evaluations of capacity development, sometimes under a donor-government steering committee and sometimes on their own account.

## ***6.0 Lessons Learned for Capacity Development in Ghana***

### **6.1 Setting a Positive Trajectory**

- In 1994 Ghana embarked on an ever-expanding and broad based effort to transform the public service at central, regional and local levels without first establishing the broad-based and enduring social and political support necessary. The absence of this support has provided a basis for effective resistance to change on the part of interest groups. The emerging nature of parliamentary democracy in Ghana is itself cited in reports as a factor in promoting competition for resources and making it difficult to establish a consensus for change.
- In establishing a positive trajectory for capacity development in Ghana, it may be necessary for the GoG and supporting agencies to identify a more limited set of capacity development goals and to identify fewer entry points. More correctly these might be called re-engagement points since the GoG and donors have “entered” the capacity development struggle in Ghana in a more or less comprehensive way over the past decade. Some possible entry or re-engagement points are:
  - **Decentralization**, but with a clearer focus on supporting regional and district level bodies engaged in direct service delivery in key social areas such as health, education, water, and rural roads which can have an impact on poverty and a more direct link to stakeholders. This is already an area of focus for many bilateral agencies but it cannot proceed effectively until the MDAs providing social services are effectively integrated into the decentralized structure. This suggests the MLGRD would be a key partner;
  - **Services to private enterprise** either through direct services such as customs and excise or through regulatory agencies responsible for (as examples) telecommunications, banking, transport, infrastructure, and energy. This would link a capacity development initiative to the growth in effective demand from the private sector and could have the collateral result of accelerating the growth of the private sector (although this would be concentrated in the Accra/Tema area).
  - **Direct strengthening of parliamentary bodies and over-sight mechanisms.** While the medium term impact of parliamentary democracy was reportedly a weakening of political support for reform, this may be partly a result of the

relative under-allocation of resources to the parliament, and its committees and the weaknesses of final audit bodies. If parliamentarians have more financial and professional resources they may begin to exert a much stronger influence on the budget process. This should include technical assistance to parliamentary investigative staff and committees.

- It is necessary in setting the trajectory of capacity development in Ghana to re-balance the level of effort formerly provided to reform structures and organizational roles at a central level and direct support to improved capacity for service delivery at field level. The past decade has seen limited results from a strategy focused on planning, budgeting and central office functions with apparently less emphasis on field effectiveness in service delivery.

## **6.2 Strengthening Accountability for an Effective State**

- One of the key rationales for choosing capacity development support to parliamentary bodies, committees of parliament and final audit agencies is to strengthen the basic machinery of accountability at the central level. These and other elements of the domestic accountability system, such as the final audit office, can benefit from increased resources.
- There is room to deepen the efforts made in some MDAs to consult stakeholders and beneficiaries in regular surveys of social impact and extend this to regular surveys of service delivery quality. Care would need to be taken to begin with core agencies providing services with an impact on poverty.
- The national decentralization policy and supporting programs has made enough progress in establishing policies and basic organizational structures to allow decentralized bodies to act as a key entry point for strengthening accountability to stakeholders and beneficiaries. There is an opportunity for the GoG and donors to make accountability and civil society engagement a feature of the capacity development strategy accompanying the national policy of decentralization.

## **6.3 Operational Improvements in Program Design**

- The key operational improvement required would be to continue with second-generation reforms such as selective accelerated salary enhancement (SASE) pay schemes but to do so on a more selective basis with smaller scope and more definitive criteria.
- The GoG and donors could increase the capacity development effectiveness of program based approaches to development cooperation by including targeted technical assistance activities which are integrated into the goals and budgets of the overall programs.
- The GoG and external agencies should be more realistic in setting capacity development program goals and objectives. In particular, more realism is required in setting timelines, in over-designing project inputs and in over-estimating existing capacities..
- More careful positioning of implementing secretariats or agencies responsible for public sector reform and capacity development programs is required. As an example, the PSMRP program was managed by the NIRP secretariat, which was outside the civil service and encountered serious resistance.

- There is a need for more explicit links to labor market conditions in capacity development programming in Ghana. When more nurses emigrate from Ghana in a single year than are graduated, the public investment in their free tertiary education is not recovered by Ghana.

## **6.4 Managing National Capacity Development Programs**

- In order for capacity development programs to be effective they need to be sustained over longer periods of time. This requires more consistent and predictable funding which may be available both domestically and externally under the terms of MDDBS. It also requires consistent support from both the governing parties and those in opposition.
- The GoG (with donor support) needs to be more insistent that the resources and benefits of capacity development programming are fielded and experienced outside the capital region. This means directing resources to service delivery sites in areas of high poverty.
- Effective use of demand from civil society can be an element in the management of public sector reform and capacity development programs. Use of mechanisms such as school management committees, community managed schools and public/private cooperation may assist governments in managing for improved service delivery.

## **6.5 Targeted Use of Monitoring and Evaluation**

- Ghana's efforts to link MTEF to performance management systems in MDAs have so far resulted in some performance monitoring by agencies and modest supplemental grants for those deemed to be performing. A careful evaluation of this policy could provide insights into its effectiveness as a means of pursuing improved performance. If the lessons are positive it could then be expanded further.
- Capacity development monitoring and evaluation in Ghana could usefully focus less on the structural and budgetary components of reform processes and more on the quality of service delivery, including the availability and effectiveness of services provided.
- In the monitoring and evaluation of service delivery outcomes there is an opportunity to use M&E to link service providers to key stakeholders and beneficiaries by giving the latter a role in assessing service quality. This will provide a more accurate picture of service quality and engage civil society more closely in demanding a more effective state.
- The national decentralization policy and supporting programs present a clear opportunity for strengthening the role of key stakeholders and beneficiaries in assessing service quality since the ultimate goal of the policy is to improve services and have a positive impact on poverty.

## Annex 1: Capacity Development Indicators for Ghana

Figure 1: Life Expectancy at Birth in Ghana and Sub-Saharan Africa

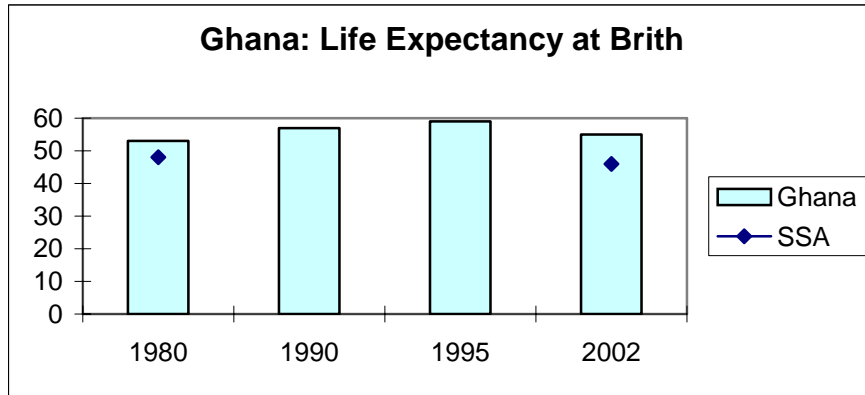
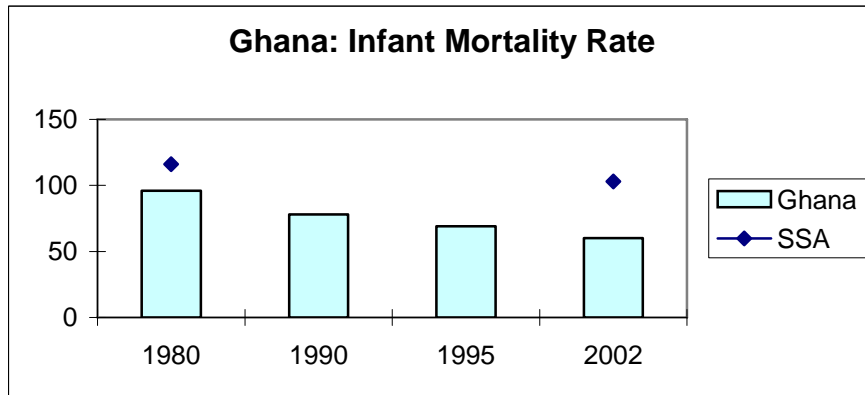


Figure 2: Infant Mortality Rates in Ghana



Ghana Figure 3: Maternal Mortality Rate

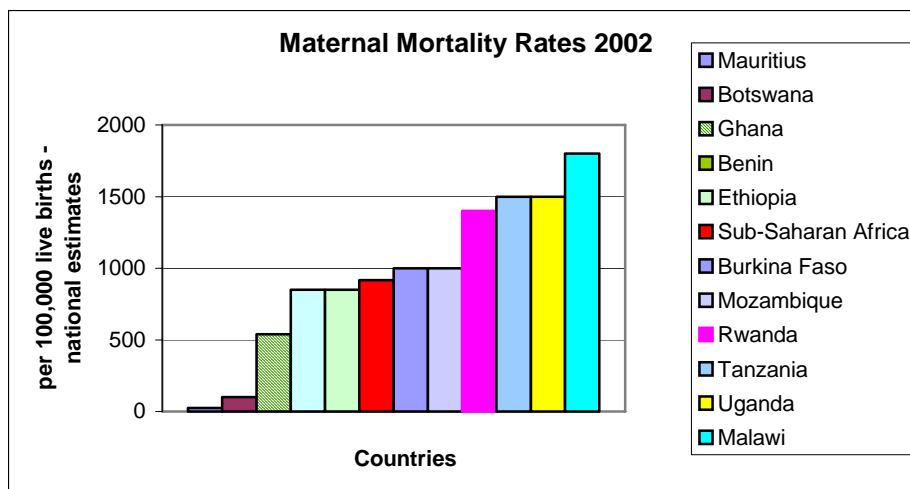


Figure 4: HIV Prevalence in 12 Case Study Countries

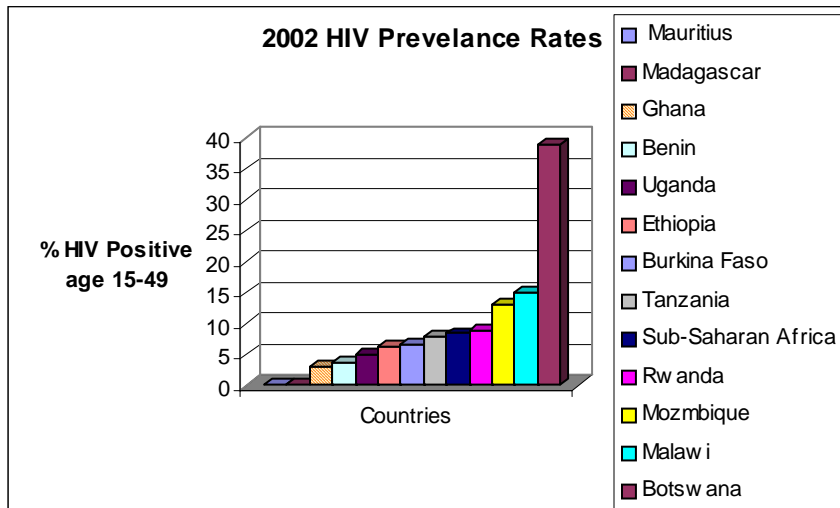


Figure 5: Net Primary Enrolment in 2000 for the 12 case study countries

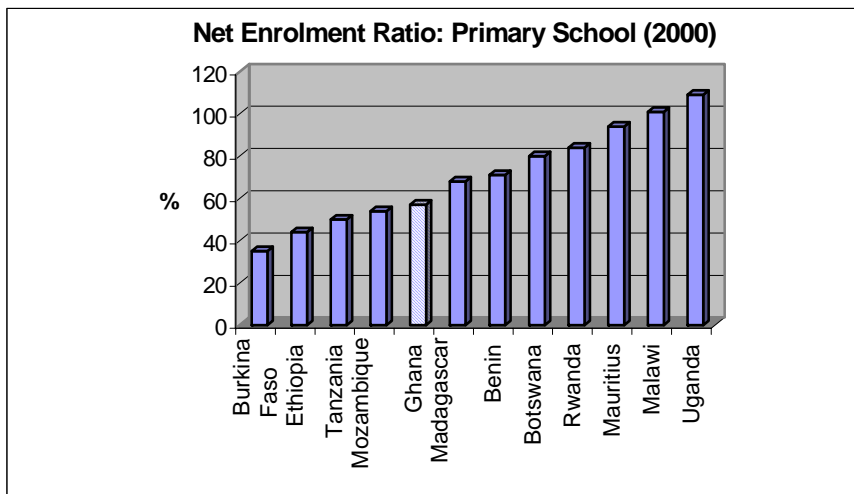
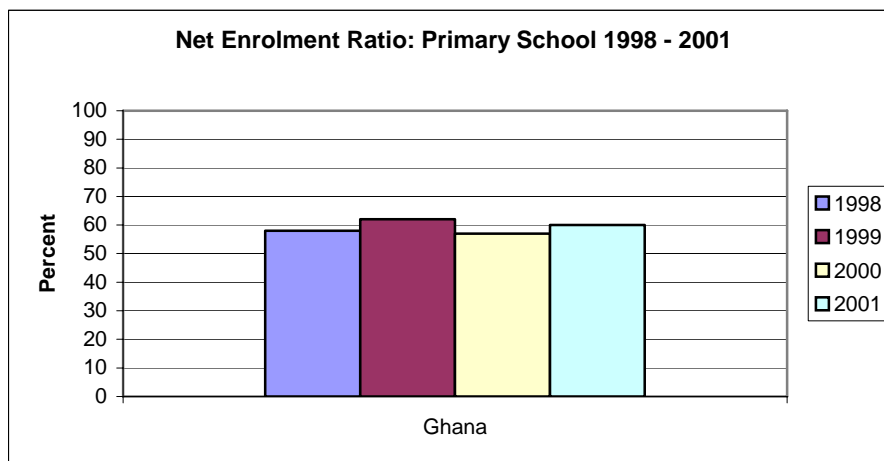


Figure 6: Ghana's Net Primary School Enrolment for 1985 and 2000



Note: The earliest year that data were available for Primary School enrolment in Ghana was 1998.

Figure 7: Primary and Secondary Completion Rates

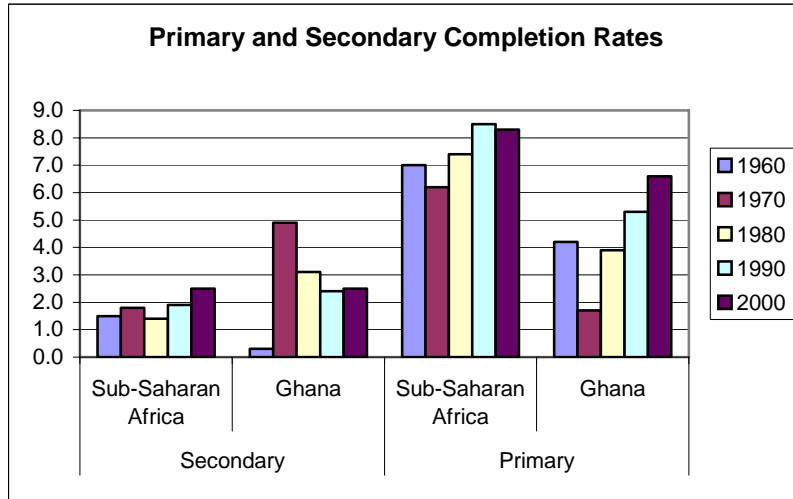
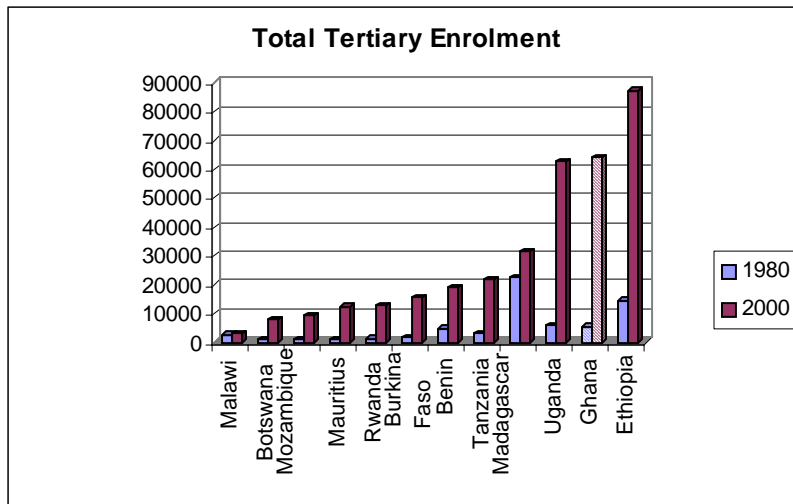


Figure 8: Tertiary Enrolment- 1980 and 2000<sup>1</sup>



<sup>1</sup> Note: Tertiary Education data for 1980 were not available for Ghana, therefore 1970 data were used instead.

Figure 9: HIPC Benchmarks met in 2001 and 2004<sup>2</sup>

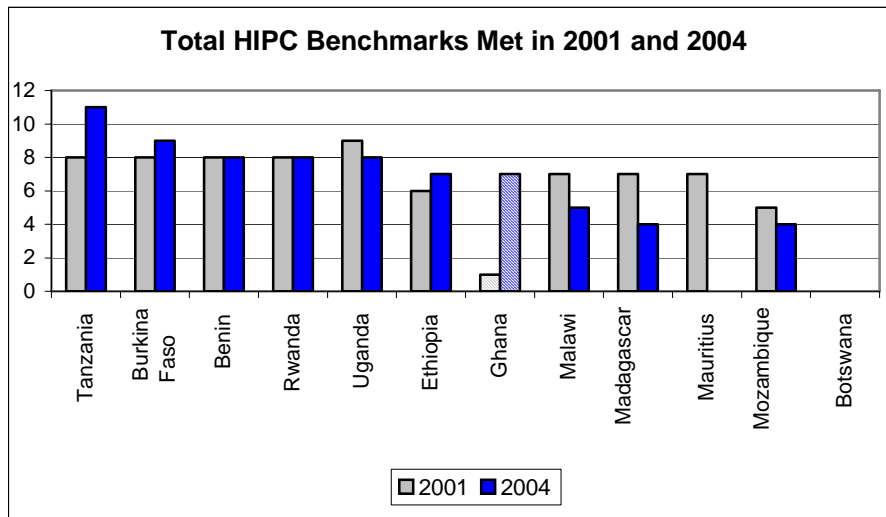
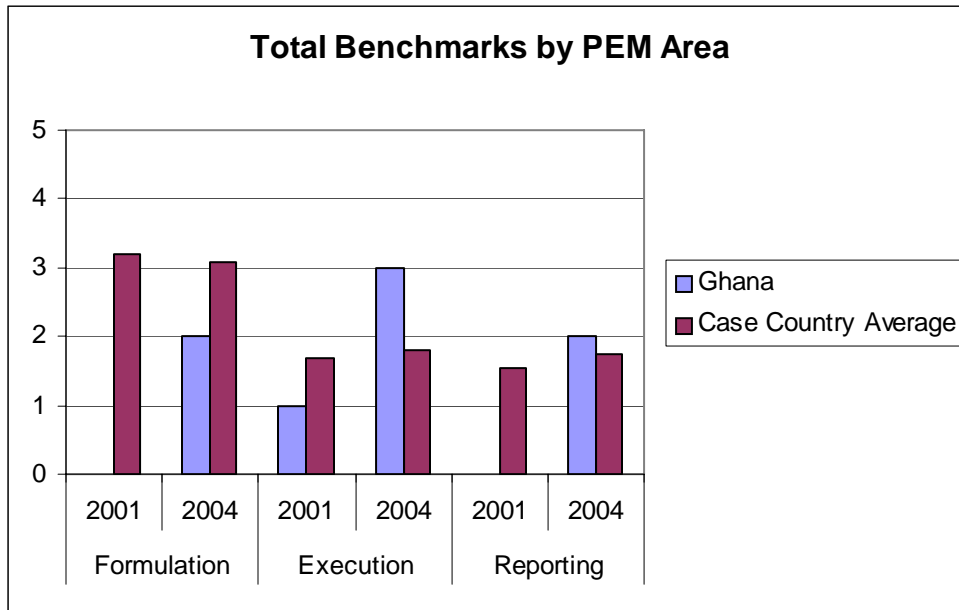


Figure 10: HIPC Benchmarks by PEM in 2001 and 2004



Note: Formulation and Reporting data were not provided for Ghana in 2001

<sup>2</sup> Data not available for Botswana

Figure 11: Summary Table

		Ghana		Case Countries		SSA	
		1998	2000	1998	2000	1998	2000
<b>Education</b>	Net Primary Enrolment	58%	57%	65.6%*	70.6%**	62.40%	68.30%
	Secondary Enrolment	31%	30%	25.2%**	24.2%****	26.70%	27.70%
	Tertiary Enrolment (1970 vs. 2000)	5426	64,098	N/A	37549****	45548	54306
		1980	2002	1980	2002	1980	2002
<b>Health</b>	Life Expectancy at Birth	53	55	50.3	48.5	48	46
	Infant Mortality (per 1000 live births)	96	60	109.4	88.4	116	103
	HIV Prevalence (% of pop. Age 15 to 49)	N/A	3.0%	N/A	9%	N/A	8.40%
	Maternal Mortality (per 100,000 live births)	N/A	540	N/A	961.8	N/A	917
		2001	2004	2001	2004		
<b>Governance (HIPC Benchmarks met)</b>	Formulation	N/A	2	3.2	3.1	N/A	N/A
	Execution	1	3	1.7	1.8	N/A	N/A
	Reporting	N/A	2	1.5	1.8	N/A	N/A
	<b>Total benchmarks met</b>	<b>1</b>	<b>8</b>	<b>6.7</b>	<b>7.1</b>	<b>N/A</b>	<b>N/A</b>

\*Data not available for Benin and Malawi

\*\*Data not available for Benin

\*\*\* Data not available for Rwanda, Tanzania, and Uganda

\*\*\*\* Data not available for Rwanda and Malawi

It is important to note that tertiary enrolment is a net value of the population enrolled in post-secondary institutions and therefore can vary significantly by the size of a countries population.

Figure 12: Institutional Effectiveness

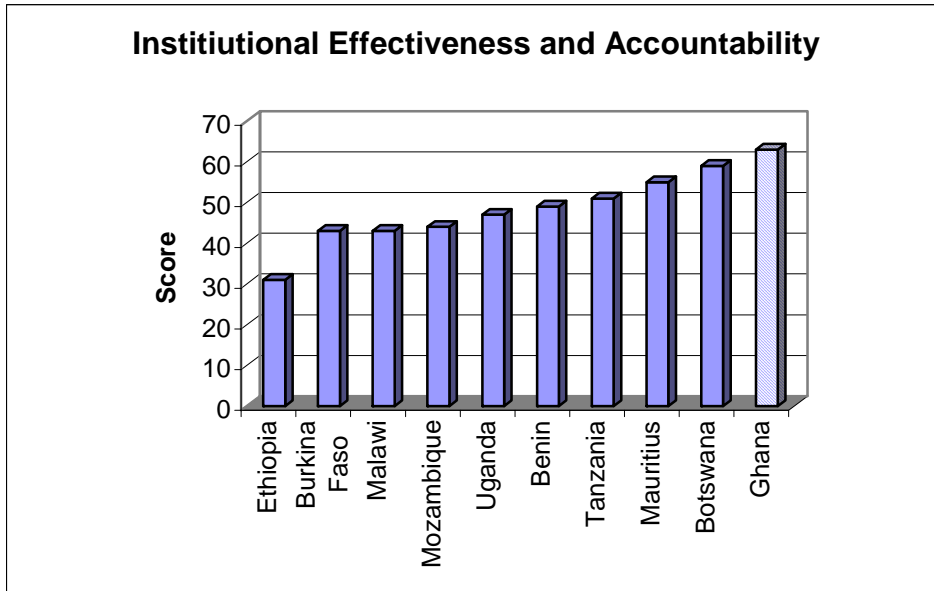


Figure 13: Respect for Rule of Law

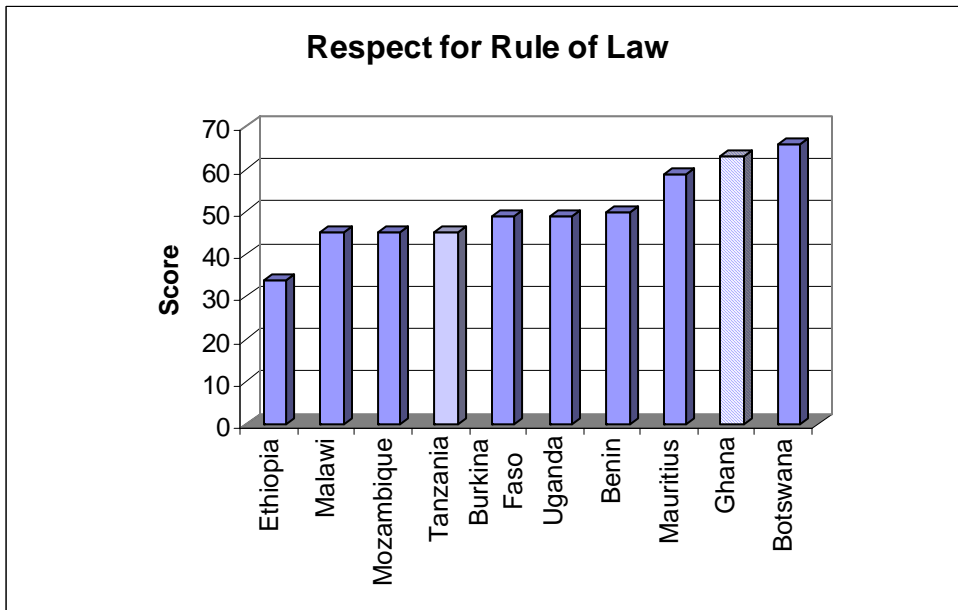


Figure 14: Transparency and Accountability

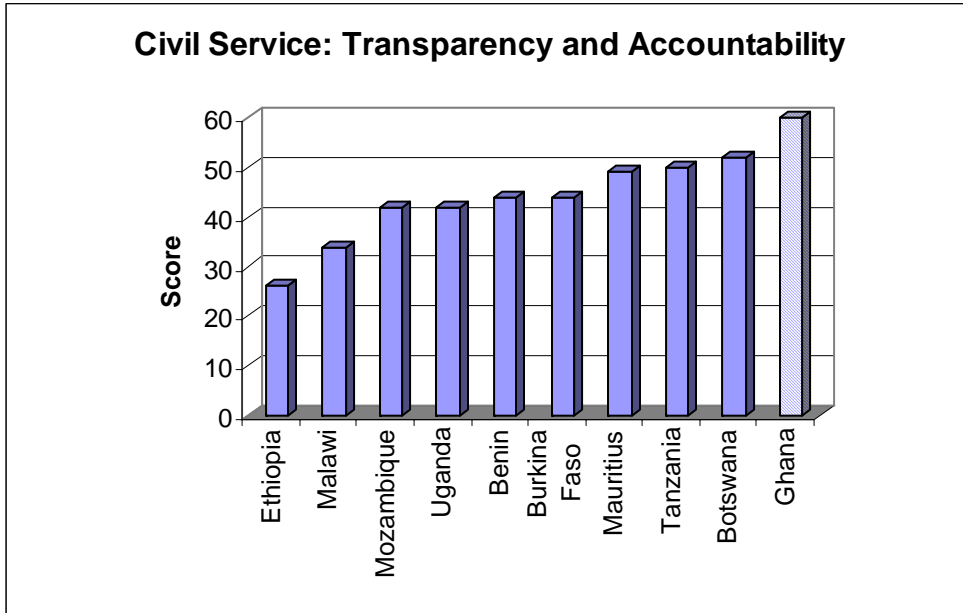


Figure 15: Investment Policies

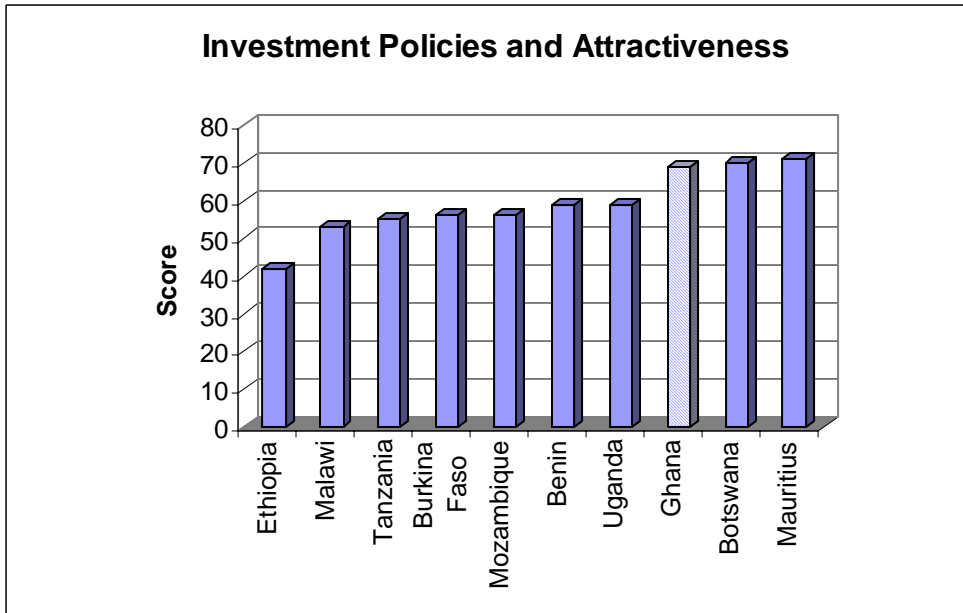
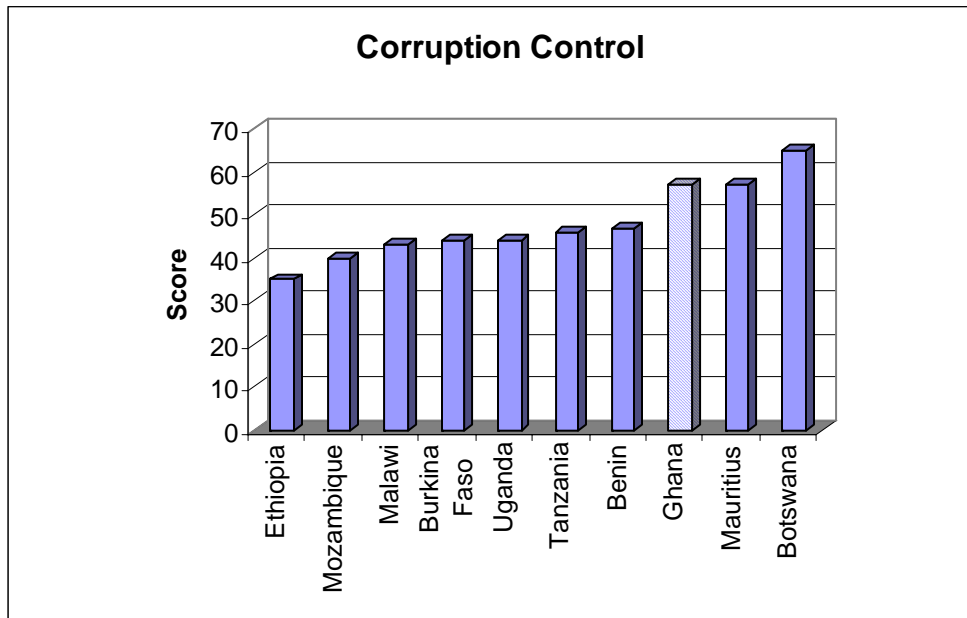


Figure 16: Control of Corruption



The governance indicators presented in the figures below reflect the statistical compilation of responses on the quality of governance given by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries, as reported by a number of survey institutes, think tanks, non-governmental organizations, and international organizations.<sup>3</sup> Countries' relative positions on these indicators are subject to margins of error that are clearly indicated. Consequently, precise country rankings should not be inferred from this data. With respect to interpretation of the governance indicators presented below, the triangle symbols represent estimates for 1998, whereas the blue dots represent estimates for the 2004. The thin vertical lines represent standard errors around these estimates for each country in 2004.

<sup>3</sup> Source: "Governance Matters IV: Governance Indicators for 1996-2004 " by Daniel Kaufmann, Aart Kraay and Massimo Mastruzzi, 2005.

Figure 17. Political Stability

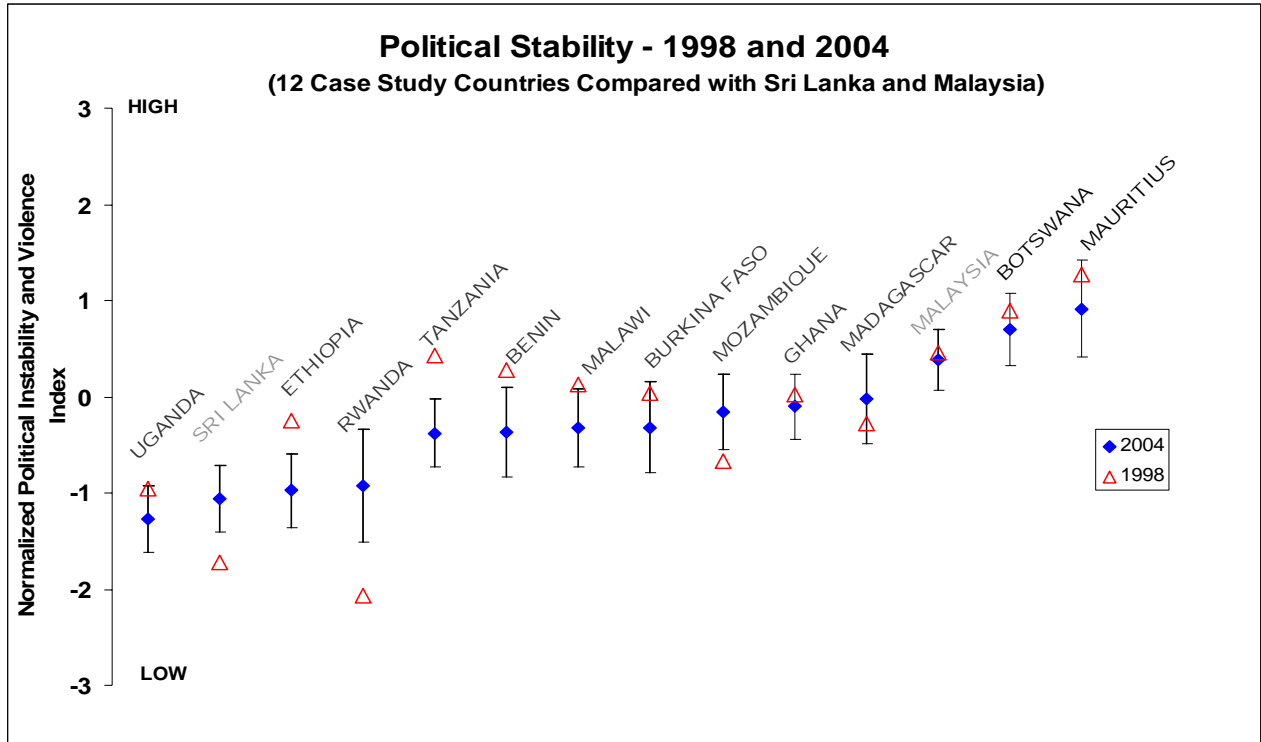


Figure 18: Government Effectiveness

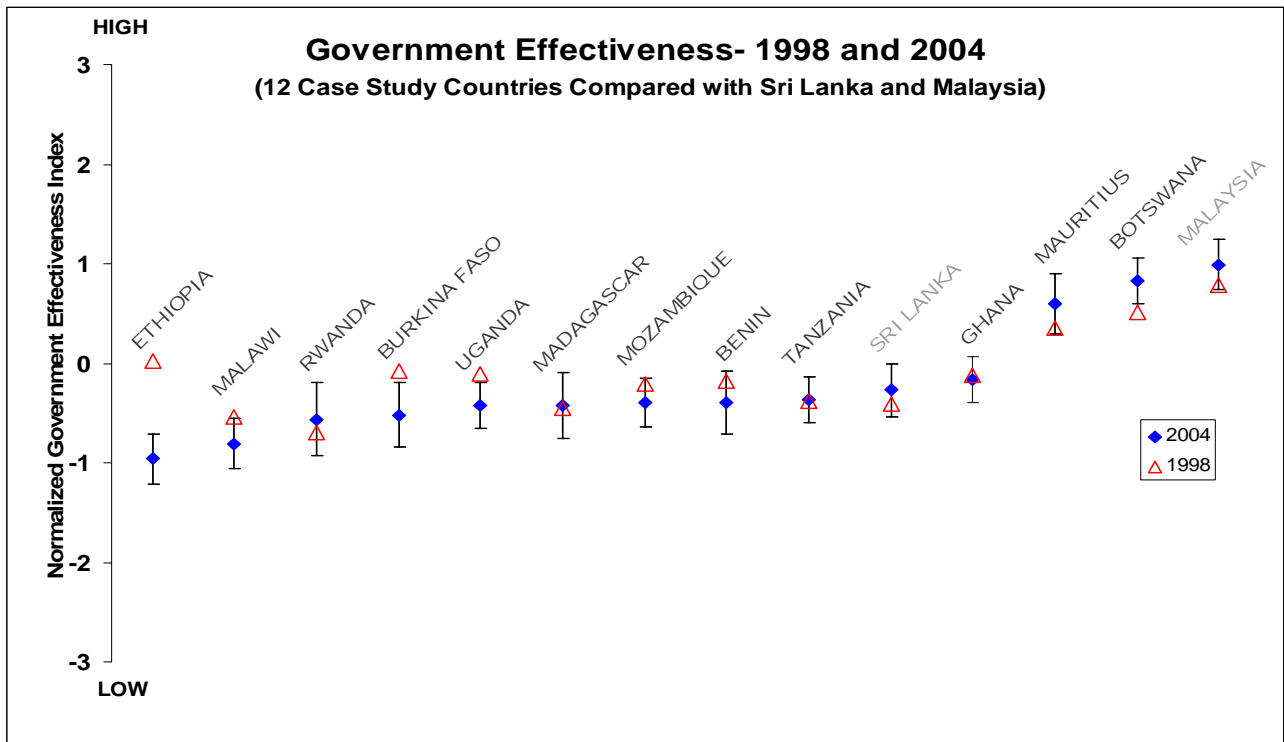
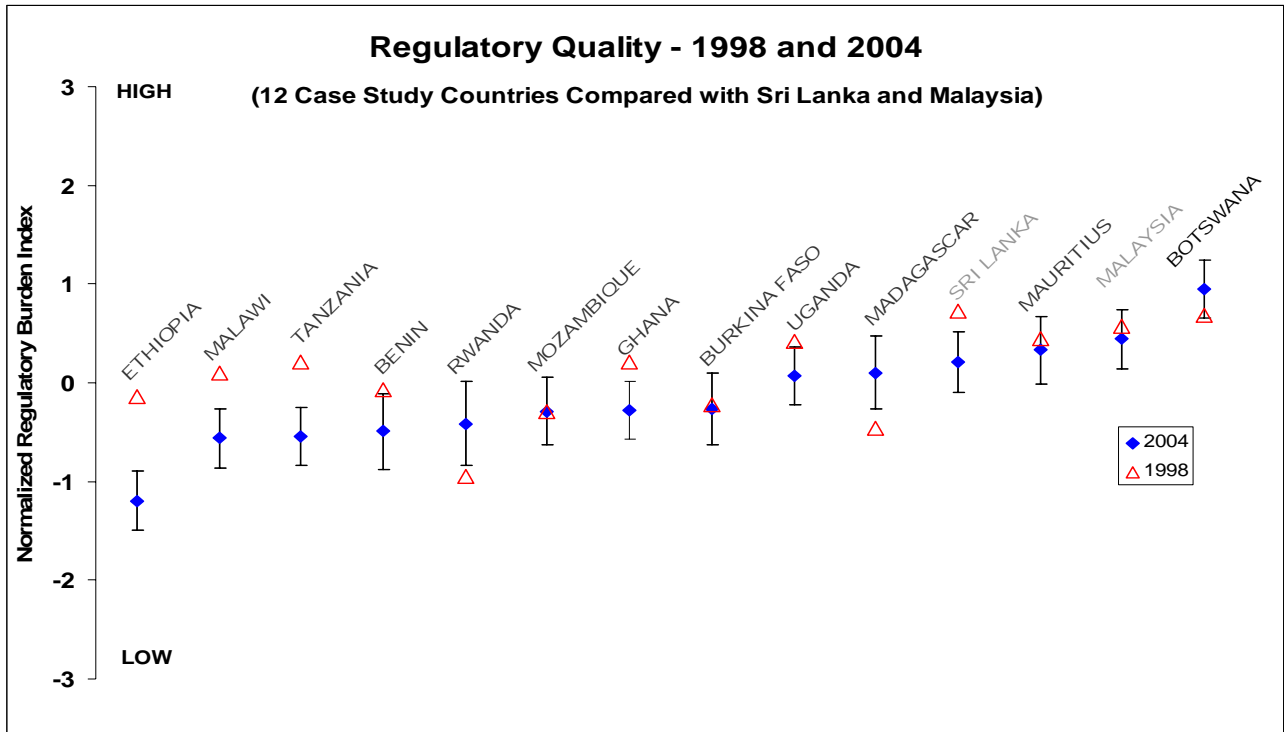


Figure 19: Regulatory Quality



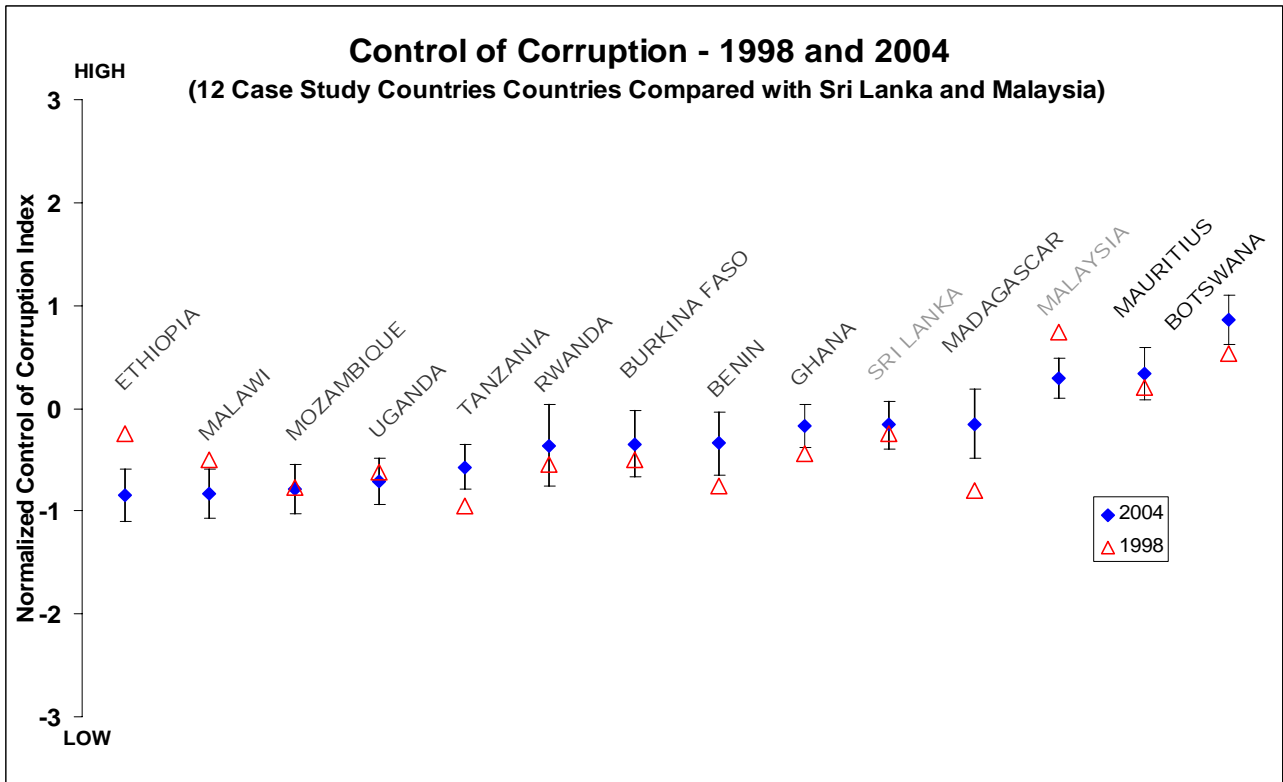


Figure 21. Rule of Law

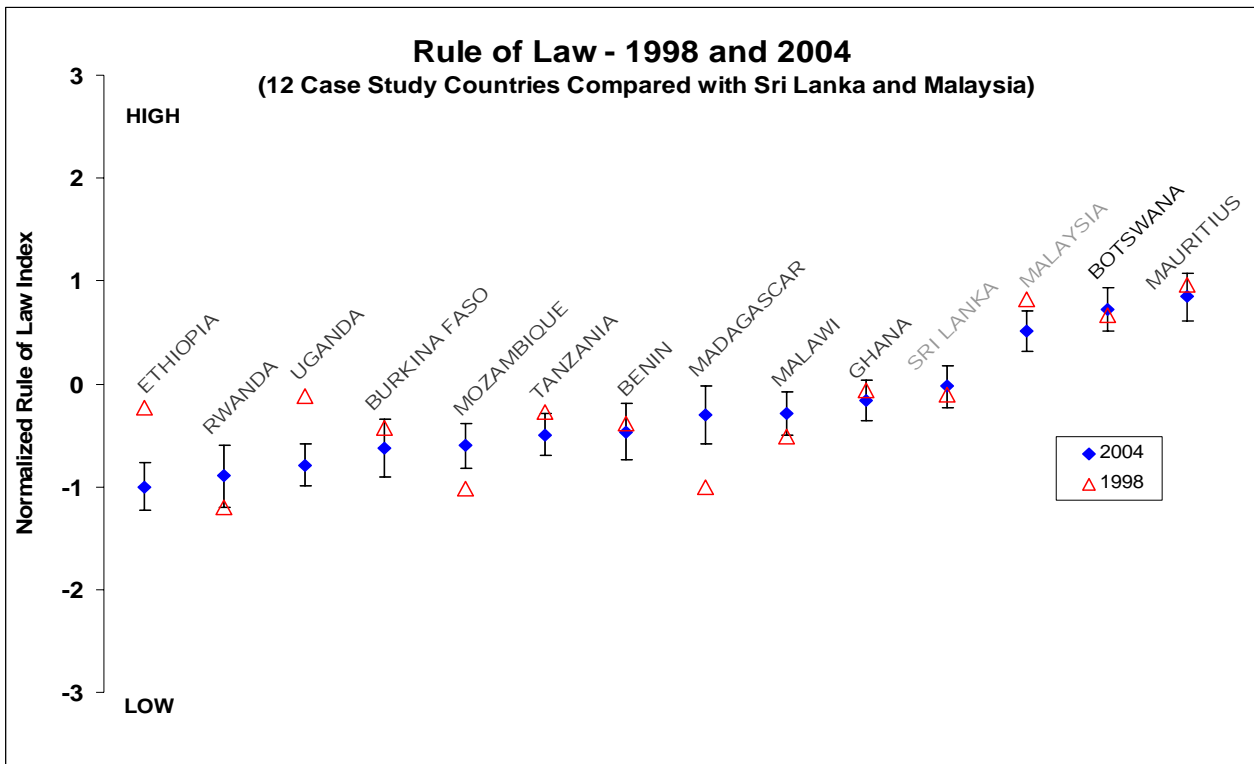
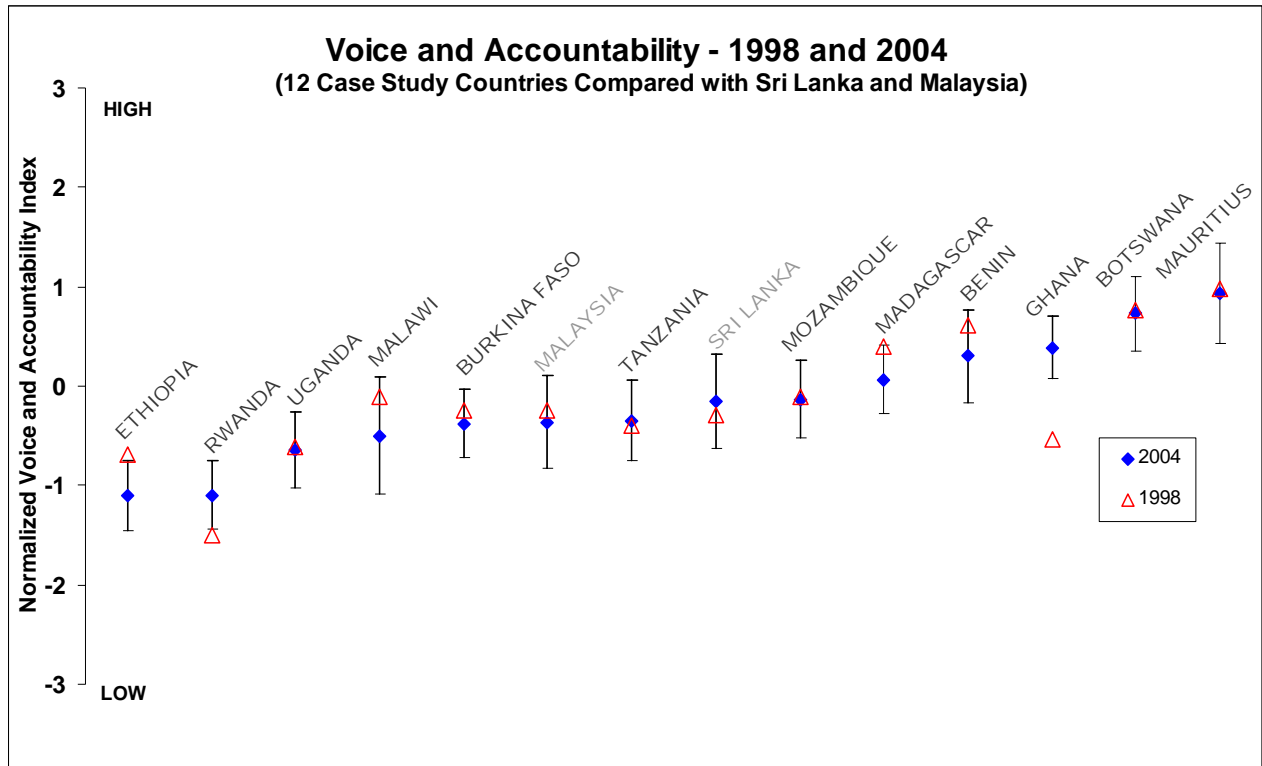


Figure 22: Voice and Accountability



## Annex 2: References

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