

CASE STUDY

DFID SUPPORT TO PUBLIC ADMINISTRATION REFORM IN GHANA

PREPARED BY G. EVANS

INSTITUTE OF PUBLIC ADMINISTRATION OF CANADA

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1.0 INTRODUCTION

This case study, *DFID Support to Public Administration Reform in Ghana*, supports the Centre for the Study of Democracy (CSD) Queen's University's broader initiative on *Delivering Democracy: Defining Success and Evaluating the Effectiveness of Democratic Assistance Programs*.

Of the five CSD case studies, public administration reform (PAR) stands apart in its being rarely included as a core component of democratic assistance. Nonetheless, PAR is central to promoting good governance which, in turn, significantly overlaps with democratization. We will set this taxonomic tangle aside for the moment.

Objectives

The case study's objectives include:

- to review the scope and effectiveness of the Department for International Development's (DFID) support to PAR in Ghana over the last decade;
- using the Ghanaian example, to explore how PAR reinforces good governance/democratization; and
- to review DFID's approach to evaluating its PAR programme in Ghana and the implications for broader assessments of good governance/democratization.

Methodology

The case study was completed primarily through documentation review. DFID officials in both London and Accra generously provided historical and current perspective and access to information. In Accra, PAR project participants, beneficiaries and stakeholders as well as civil society representatives were interviewed. The author was ably advised in Accra by Professor Kofi Nti, former Dean of University of Ghana Business School. The case study was completed in collaboration with Murray Glow, a CSD fellow, and Ann Masson, Director of International Programs, Institute of Public Administration of Canada.

Report Structure

The report is organized as follows:

- 1.0 Introduction
- 2.0 Ghana Profile
- 3.0 DFID Aid Profile
- 4.0 Assessing DFID's Support to Public Administration Reform in Ghana
- 5.0 Good Governance, Public Administration Reform and Democratization
- 6.0 Evaluating Progress

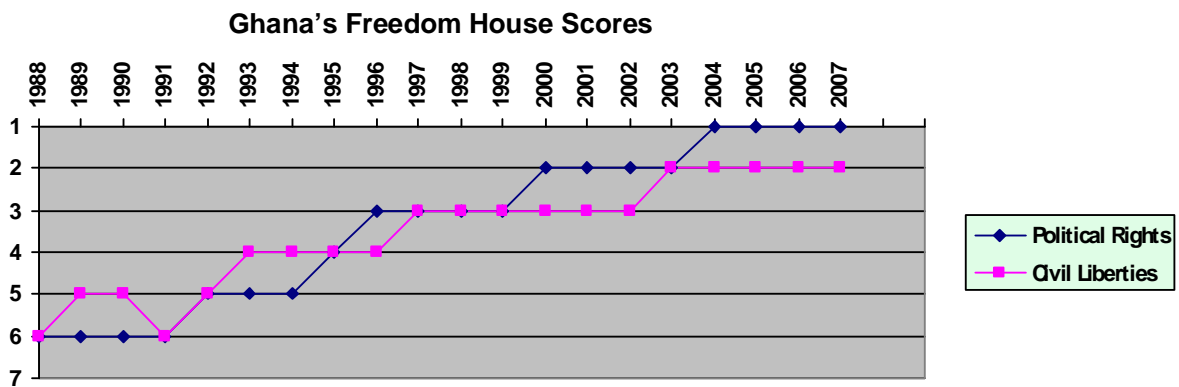
2.0 GHANA PROFILE

Before delving into DFID's PAR support to Ghana over the last two decades, it is important to situate this assistance within a broader political and socio-economic context. The following snapshots reveal a story where the increasing strength of Ghana's democratic underpinnings and economy appears not to have been matched by similar gains in state capability.

The 1992 Constitution established Ghana as a constitutional democracy which separately elects its President/Vice President and unicameral Parliament every four years. The most recent election was held on December 7, 2004. Ghana's President serves as both the head of state and head of government. Ghana is divided into ten regions and 138 districts. Elections for District Assemblies are held every four years for 70% of the members, with the remaining 30% appointed by the President.

Ghana's democratic progression over the last twenty years has been steady, if not remarkable. Freedom House (FH) raised Ghana's freedom ranking from "not free" to "partly free" in 1992, then to "free" in 2000. The two promotions in FH rankings accompanied the legalization of political parties in the 1992 Constitution and the peaceful transition in the 2000 elections when President John Kufuor's New Patriotic Party (NPP) defeated the incumbent National Democratic Congress (NDC).

Today, Ghana's FH freedom ranking is only surpassed in Sub-Saharan Africa by Cape Verde and equalled by Mauritius.

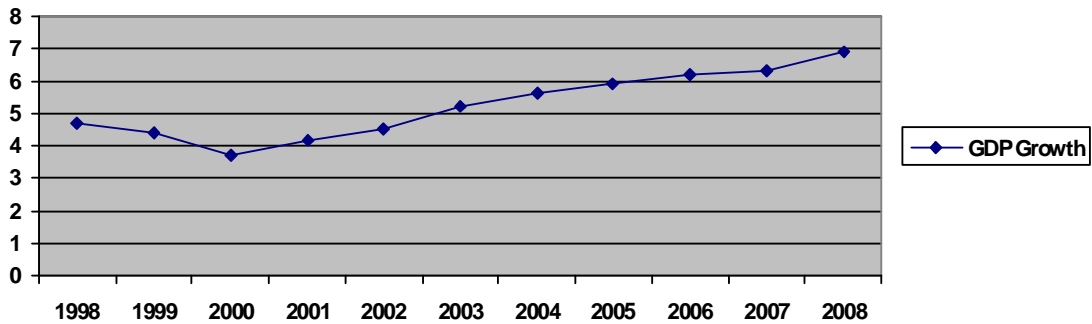


Freedom House scores range from 7 to 1 where 1 is the most free

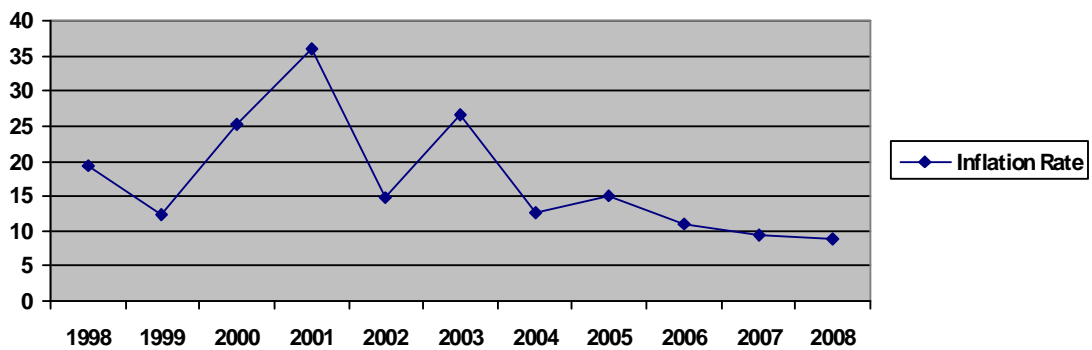
The Ghanaian public shares this view, with 77% agreeing in 2005 that Ghana was completely or largely a democracy, up from 62% in 1999 (Afro Barometer 2005). Notwithstanding Ghana's robust democratic credentials, concerns persist that prospects for continued progress may stall owing to entrenched systems of patronage, corruption and poor government (CDD-ODI Brief 1, 2005). This issue will be revisited.

Economically, progress has been steady as Ghana continues to recover from the economic collapse of the early 1980s. The IMF currently projects Ghana's 2008 GDP growth at healthy 6.9% with an 8.8% inflation rate.

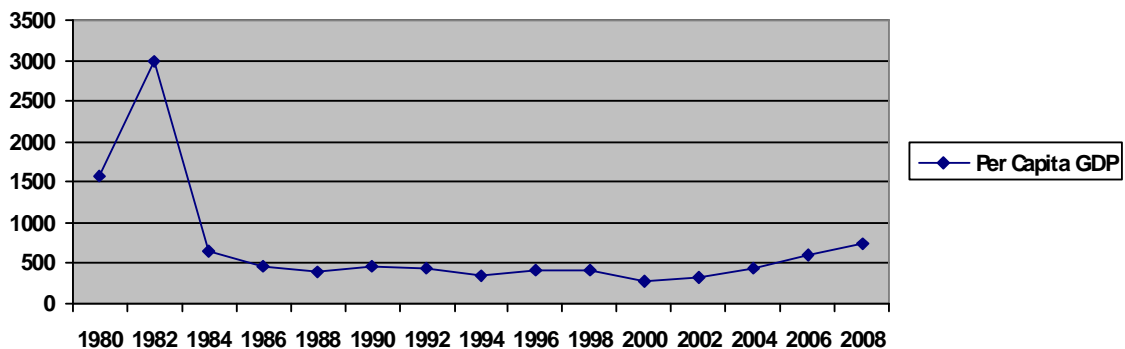
Key Economic Indicators: Historic Trends



IMF: World Economic Outlook Database: GDP Growth Annual % Increase



IMF: World Economic Outlook Database: % Annual Inflation Rate Increase



IMF: World Economic Outlook Database: Per Capita GDP Current Prices \$US

Although improving, it is to sobering to recall that at independence Ghana's per capita income was similar to South Korea's and that real per capita income is only now surpassing the immediate post-independence levels.

Ghana's social development results have been less encouraging. The *United Nations Human Development Index* (HDI) gauges the quality of life in 177 countries. In ten years, Ghana's country rank remains roughly the same (comparing data from 1996 and 2005) while its HDI score peaked in 2002 with modest slippage since.

United Nations: Human Development Index – Ghana Rankings

Report Year	Data Year	Rank	Score
2007	2005	135 th	.553
2006	2004	136 th	.532
2005	2003	138 th	.520
2004	2002	131 st	.568
2003	2001	129 th	.567
2002	2000	129 th	.548
2001	1999	119 th	.542
2000	1998	129 th	.556
1999	1997	133 rd	.544
1998	1996	133 rd	.473

However, more recent data (ODI 2007) suggests the situation may be beginning to improve in the education sector, although health outcomes remain problematic. The number of schools, teachers and students has increased significantly, as has the enrolment of girls. Although some health indicators have turned positive (dealing with diseases such as malaria and tuberculosis), others, such as those relating to maternal and child health, have declined.

Progress in governance has only recently begun to appear. The *World Bank's Worldwide Governance survey* comprises six indicators. Between 2000 and 2004, only political stability improved, with sharp declines experienced in government effectiveness, regulatory quality, rule of law and control of corruption. However, all four rebounded to roughly 2000 levels by 2006. That improvements registered in all six indicators between 2004 and 2006 may represent an early signal that overall governance is strengthening.

Interestingly, the best performing indicator over 10 years has been voice and accountability. As the indicator most closely associated with democratization, its gains reprise the positive Freedom House story. By contrast, the four indicators most closely linked to the quality of public administration have lagged.

World Bank Worldwide Governance Survey: Ghana's Scores

Year	Voice & Accountability	Political Stability	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption
2006	+0.37	+0.23	+0.05	-0.09	-0.13	-0.12
2004	+0.00	+0.05	-0.25	-0.41	-0.30	-0.34
2002	-0.07	-0.05	-0.22	-0.38	-0.17	-0.37
2000	-0.01	-0.22	+0.01	+0.01	-0.06	-0.25
1998	-0.40	-0.05	-0.21	-0.02	-0.44	-0.34
1996	-0.24	-0.18	-0.37	+0.19	-0.39	-0.50

WB Governance Survey indicators range from +2.5 to -2.5; a higher score indicates better

World Bank Governance Survey: Score Variance

Category	Score Variance	
	2000-04	2004-06
Voice and Accountability	+0.01	+0.37
Political Stability	+0.27	+0.18
Government Effectiveness	-0.26	+0.30
Regulatory Quality	-0.42	+0.32
Rule of Law	-0.24	+0.17
Control of Corruption	-0.09	+0.22

The widely-followed *Transparency International Corruption Perception Index (CPI)*, which gauges public and business perceptions of corruption in government and among public officials, echoes the World Bank results. Although Ghana ranks among the least corrupt African countries, its CPI score has shown only modest improvement in 10 years and has declined in terms of its world ranking.

Transparency International: Corruption Perceptions Index: Ghana's Scores

Year	Country Rank	African Rank	Index
2007	69 th	7 th	3.7
2006	70 th	7 th	3.3
2005	65 th	7 th	3.5
2004	64 th	7 th	3.6
2003	70 th	6 th	3.3
2002	50 th	6 th	3.9
2001	59 th	6 th	3.4
2000	52 nd	7 th	3.5
1999	63 rd	12 th	3.3
1998	55 th	10 th	3.3

Transparency International CPI scores range from 0 to 10; a higher score indicates less corruption

While acknowledging the usual caveats about inferring from broad indicators, this cursory profile presents a mixed picture over the last decade:

- Ghana's democratization process and economy have continued to strengthen;
- Ghana's social indicators have been less impressive, although gains in education are beginning to be achieved; but
- the poor quality of public administration and high levels of corruption remain problematic, although there are early signs that Ghana's long-running, under-achieving PAR programs may finally be beginning to produce some positive results.

This case study will examine whether this latter observation corresponds with DFID's assessment of its PAR support in Ghana over the last two decades.

3.0 DFID Aid Profile

This section provides a brief overview of DFID’s overall and Ghanaian aid programmes. DFID’s overarching priority is to support poverty elimination in developing countries. The lead title of all three recent White Papers on international development (1997, 2000, 2006) is *Eliminating World Poverty*. The adoption of the Millennium Development Goals at the United Nations Millennium Summit in 2000 provided the framework within which efforts to support poverty elimination by DFID and other donors are structured and assessed. Of particular relevance to this case study, the 2006 White Paper, *Eliminating World Poverty: Making Governance Work for the Poor*, elevated good governance to a core condition for realizing poverty elimination goals – “*First and foremost, the fight against poverty cannot be won without good governance.*”

In 2006-07, DFID’s aid programme totalled 4.9 billion pounds. Bilateral programmes constituted 52 % of DFID expenditures versus 43% for multilateral institutions and 5% for administration (National Statistics 2007). The United Kingdom is the world’s second largest bilateral donor of official development assistance (ODA), after the United States, but with a much higher % Gross National Income (GNI) contribution.

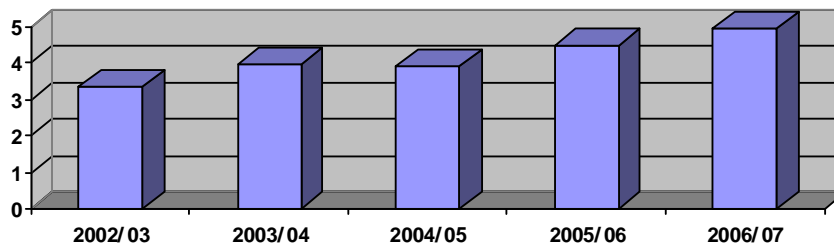
Largest Bilateral Aid Programmes

Country	2006	% GNI
1. United States	23,532	.18
2. United Kingdom	12,459	.51
3. Japan	11,187	.25
4. France	10,601	.47
5. Germany	10,435	.36
6. Sweden	3,995	1.02
7. Spain	3,814	.32
8. Canada	3,684	.29

Source: OECD DAC statistical tables: in \$US millions for ODA

DFID’s aid programme is also one of the fastest growing in the world. The chart below traces the 47% increase in DFID’s development expenditures over the last five years.

DFID’s Annual Expenditures: 2002/03 – 2006/07



Source: DFID Statistics on International Development - in pounds billions

Ghana ranks 8th overall as a recipient of DFID bilateral aid (excluding humanitarian) and 4th in Sub-Saharan Africa, receiving 68 million pounds in 2006-07.

Highest DFID Aid Recipients in Africa

Sub-Saharan Country	2006-07
1. Tanzania	111
2. Ethiopia	88
3. Nigeria	81
4. Ghana	68

Source: DFID Statistics on International Development in million pounds

DFID's commitment to the 2005 Paris Declaration of Aid Effectiveness signals a new approach to delivering aid where increasing emphasis is placed on aligning aid to national strategies, utilizing country systems, harmonizing donor interventions and utilizing programme aid modalities, including general budget support. In line with the Paris Declaration, the predominant component of DFID's bilateral program in Ghana is general budget support: 35.5 million pounds or 52% in 2006-07. DFID is the second largest contributor, after the World Bank, to Ghana's Multi-Donor Budget Support (MDBS) mechanism. The primary policy goal of MDBS is to free-up funding to deliver the country's Growth and Poverty Reduction Strategy (GPRS II).

Contributors to Ghana Multi-Donor Budget Support

Donor	2006 (\$US M)	% Total
1. World Bank	143.1	46.3%
2. UK: DFID	60.4	19.5%
3. African Development Bank	32.2	10.4%
4. Netherlands	18.5	6.0%
5. Canada: CIDA	14.3	4.6%
Other (5 other donors)	40.5	13.1%
TOTAL	309.0	

Source: ODI-CDD Joint Evaluation of MDBS (2007)

Governance represents a significant component of DFID's Ghana country programme. A recent evaluation (DFID Azeem 2006) identified 101 DFID-funded projects operating from 2000-2005. By far, the highest number of projects (34) fell within the governance category, although the proportion of overall funding disbursed to these projects was relatively low, in part because public investment expenditures are rarely involved and general budget support is counted as economic.

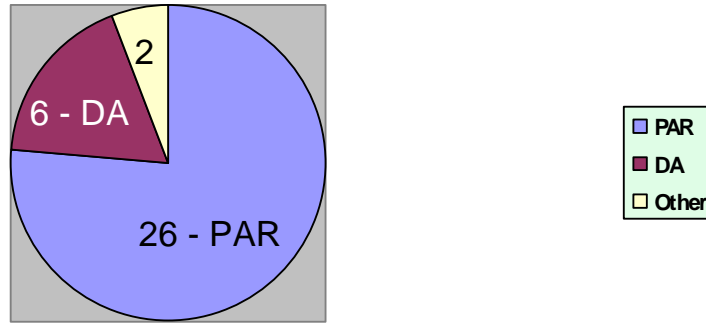
Distribution of DFID Projects in Ghana (2000-05)

Aid Category	% Projects	% Expenditures
Economic	25%	59%
Education	6%	18%
Environment	9%	2%
Governance	34%	5%
Health	11%	10%
Rural	12%	5%
Social	2%	less than 1%
Other	2%	less than 1%

Source: DFID Country Programme Evaluation: 2000-2005 (2007)

Of the 34 governance projects, 26, or over 75%, supported various PAR initiatives versus 6 for direct forms of democratic assistance (e.g., elections, civil society, access to justice) and 2 “other”.

DFID Governance Projects by Type of Assistance



The current list of governance projects retains the emphasis on building capacity within central executive institutions (6 of 8), while continuing support to external institutions such as civil society and Parliament. An innovation has been the creation of a 4.8 million pound fund over 5 years, to be administered by an NGO consortium (Rights and Voice Initiative) and oversee the distribution of grants to community-based NGOs. A similar pooled funding approach is being followed with the Ministry of Public Sector Reform which administers the allocation of grants to various institutions or ministries to assist with the delivery of the public sector reform annual work plan.

4.0 ASSESSING DFID'S SUPPORT TO PUBLIC ADMINISTRATION REFORM IN GHANA

This section summarizes the conclusions of a wide range of assessments and evaluations, mostly prepared for DFID, on the effectiveness of PAR support. DFID has not developed a unique PAR framework; rather, PAR is positioned within the State Capability component of DFID's broader good governance framework (UK White Paper 2006). In fact, three of the six sub-components elaborating State Capability directly relate to PAR:

- managing public finances and putting government policies into practice effectively;
- making sure government departments and services meet people's needs; and
- setting good rules and regulations.

4.1 A Working Framework for Public Administration Reform

This paper will use a working framework that synthesizes UNDP and World Bank frameworks (UNDP 2003; Manning World Bank 2004).

UNDP defines PAR as follows:

1. *the aggregate machinery (policies, rules, systems, organizational structures, personnel, etc.) funded by the state budget and in charge of the management and direction of the affairs of the executive government, and its interaction with other stakeholders in the state, society and external environment.*
2. *the management and implementation of the whole set of government activities dealing with the implementation of laws, regulations and decision of the government and the management related to the provision of public services. (UNDP 2003)*

Basically, PAR addresses those reform elements that are normally delivered within the executive branch¹ by central institutions and implemented across government rather than within a sector. For example, a PAR program would not include the development and implementation of a new primary health care policy, but would cover the establishment of a monitoring function within a central institution to track progress across all sectors, including health.

For the most part, these reforms can be characterized as technically, rather than policy or politically driven. The table below presents a working framework for PAR with four core components [civil service reform, administrative reform, policy management reform and public finance reform] and related sub-components. Some countries pursue a comprehensive PAR approach where a coordinated strategy is developed encompassing all four reform areas, while others pursue the reforms

individually without any concerted attempt to align activities between them. Ghana has attempted both approaches.

Working Framework: Public Administration Reform

PAR Component	Sub-Components
civil service reform	<ul style="list-style-type: none"> • legal framework • establishment control (including civil service registry) • civil service model (e.g., career vs. position-based systems) • staffing policies (e.g., merit principle) • performance management • pay and compensation • training and development (including leadership)
administrative reform	<ul style="list-style-type: none"> • legal framework • downsizing • functional reviews (ministry/agency structures) • privatization, other forms of divestment • decentralization/local self government/fiscal transfers • ICT, e-government • service quality/delivery • oversight mechanisms
policy management reform ⁱⁱ	<ul style="list-style-type: none"> • strategic planning • policy development and review • monitoring and evaluation • horizontal policy coordination • legal drafting and review • strategic communications
public finance reform	<ul style="list-style-type: none"> • legal framework • fiscal management (e.g., macro forecasting, debt management) • budget formulation • budget execution (including treasury/payroll systems) • accounting and financial control • procurement • internal audit • transparency

4.2 Ghana's PAR Experience

Ghana's economic collapse in the early 1980s precipitated an intensive period of structural adjustment and engagement with the IMF and World Bank throughout the remainder of the decade. By the late 1980s, attention began to turn to the dysfunction and malaise within Ghana's public administration.

Initial reforms, such as the 1987 Civil Service Reform Programme, were relatively modest in scale and did not suffer from over-conceptualization. Neither did they produce dramatic results. By the early 1990s, frustration with the slow pace of progress, a desire for a longer-term planning horizon, and the realization that gaps in one area adversely affected another led to the establishment of an ambitious, comprehensive PAR program, the ill-fated National Institutional Renewal Programme (NIRP). When NIRP was finally terminated in 2003, it was and remains widely

regarded as a failure. Since then, the delivery of PAR has followed a less ambitious, more measured pace. The table below attempts to organize the jumble of PAR programs over the last 20 years under their respective PAR component.

Key PAR-Related Programs in Ghana: 1987-2008

PAR Component	Reform
comprehensive	<ul style="list-style-type: none"> • National Institutional Renewal Program (1994-2003)
civil service reform	<ul style="list-style-type: none"> • Civil Service Reform Programme (1987) • Civil Service Performance Improvement Programme (1995) • Public Sector Reform Programme (2004)
administrative reform	<ul style="list-style-type: none"> • Decentralization Initiative (1988) • Public Sector and Reinvention and Modernization Strategy (1997) • Public Sector Management Reform Programme (1999) • Sub-Vented Agency Reform (1999) • Decentralization Plan of Action (2004) • Public Sector Reform Programme (2004)
policy management reform	<ul style="list-style-type: none"> • Central Management Agencies component of NIRP (1994) • Ghana Central Governance Program (2003)
public finance reform	<ul style="list-style-type: none"> • Public Financial Management Reform Programme (1996) [DFID supported the MTEF and the IPPD (payroll system) components] • Multi-Donor Budget Support (2003) • Short-Term Action Plan for Public Financial Reform (2006)

As demonstrated throughout this chapter, evaluations of Ghana's PAR-related support dating back to the late 1980s reveal a repeating and unsatisfactory pattern. Virtually all interventions were assessed as less than satisfactory and prone to the same problems: insufficient ownership; low capacity; implementation delays/failures; and consultant-driven.

The following observations typify evaluators' conclusions concerning the broader reform effort:

[The reform] has proceeded according to plan with its diagnostic/design work, but progress with implementation has been considerably less impressive. (ODA 1993)

The 1998-2001 Country Assistance Plan...failed to anticipate the weak implementation of key reforms by the Government, most notably on decentralization, public sector reform and public expenditure management. (DFID CAP 2003)

Governments go along with donor-supported reform programmes, doing enough to support claims that they are nationally owned, while carefully controlling implementation and avoiding the politically tough decisions that genuine reform would necessitate. (CDD-ODI Brief 1, 2005)

A World Bank analysis comparing three critical PAR drivers in Tanzania, Zambia and Ghana assigned the lowest rankings to Ghana. (Stevens and Teggemann 2004)

Stevens & Teggemann's Assessment of Ghana's Reform Drivers

Reform Driver	Assessment
political and economic context	highly unfavourable
reform leadership and structures	unfavourable
reform components	too comprehensive

The World Bank's internal rating of its support to NIRP was equally negative (World Bank 2004).

World Bank's Internal Performance Ratings of NIRP Support

Performance Area	Rating
outcome	unsatisfactory
sustainability	unlikely
institutional development impact	modest
Bank performance	unsatisfactory
borrower performance	unsatisfactory

The evaluation of the DFID Country Programme: 2000-2005 summarized the results from a selection of output to purpose reviews during this period. As indicated below, the governance portfolio was deemed to be the poorest performing with only 20% of reviews being ranked in the top categories, compared to 50%+ for the other two portfolios (pro-poor growth and human development) .

Summary of Rankings: Output to Purpose Reviews

Theme	1-2	3	4-5	Total
Pro-Poor Growth	15	7	4	26
Human Development	9	7	2	18
Governance	3	5	7	15

Note: reviews are scored from 1-5 where 1 is the best rating

Governance aid programmes again fared the worst with respect to DFID's contribution when compared against three other programme themes.

Assessment of Ghana Progress and DFID Contribution By Programme Theme

Programme Theme	Ghana Progress	DFID Contribution
enabling environment for pro-poor growth	M	M
sustainable livelihoods & increased production	L	H
good governance	L	L
human development	L	H

However, before dismissing PAR support as a waste of time and money, a few mitigating factors need to be cited.

- the damaging impact of Ghana's economic collapse during the 1980s on the civil service should not be underestimated; salaries, morale and capacity were significantly eroded and are only now beginning to recover;
- DFID officials reported that failures to achieve system-wide goals often masked under-the-radar successes; for example, several motivated organizations benefited from performance improvement plans (part of the civil service reform of the 1990s) although the initiative did not produce systemic change; and
- PAR reforms are among the most difficult and time-consuming to implement successfully and often encounter problems with generating sufficient political incentives; these problems are hardly exclusive to DFID or Ghana; for example, the World Bank concluded that at least two-thirds of its efforts to promote civil service reform had been unsuccessful (World Bank 1999).

Most importantly, emerging evidence suggests that the progress is, finally, beginning to be made. These modest gains in performance reprise the positive story reflected in the higher-level indicators, such as the World Bank's Governance Survey, over the last two to three years.

4.3 DFID's Support to Public Administration Reform

PAR has been central to ODAⁱⁱⁱ/DFID's aid programmes in Ghana for over two decades. This type of assistance began long before Ghana could be considered even an emerging democracy and certainly pre-dated the period when umbrella frameworks such as good governance or comprehensive PAR strategies came into vogue.

The following capsulizes PAR-related conclusions of publicly available ODA/DFID reviews and evaluations, as well as select assessments from other donors or analysts. The observations are organized under the four individual PAR components and linked to the relevant sub-component of the PAR working framework.

4.3.1 Civil Service Reform

Ghana's Civil Service Reform Programme (CSRP), launched in 1987, was the subject of the earliest PAR evaluation (ODA 1993). One DFID official who worked in Ghana during the 80s and 90s commented that the primary drivers were more technical and pragmatic than conceptual; i.e., identify gaps and apply assistance where it could be most helpful. The reform's mandate also included a modest set of administrative reforms. Interestingly, the evaluation raised the issues of commitment, ownership and poor follow-through to implementation that remain salient today.

Year(s)	ODA 1993 Evaluation: Civil Service Reform Programme
1987-92	<ul style="list-style-type: none"> • legal framework: “unsuccessful...due to delays and failures in implementation” • establishment control: the personnel information system (IPPD) “...still in implementation phase...too early to assess its impact” • pay & compensation: “...significantly less successful than expected...many reforms have not yet been implemented...reforms were essentially externally driven” • training & development: the training strategy (scheme of service): “unsuccessful, with no benefits” • training of Job Inspectors: “most clearly successful component”

CSRP's successor, the Civil Service Performance Improvement Programme (CSPIP), was initiated in 1995. More ambitious than CSRP, CSPIP included civil service and administrative reform components and was directed at fostering a performance, results and customer-oriented culture across government.

The 2000 evaluation struck a generally positive tone on overall process improvements (*CSPIP is making and has made a difference*) and successes were certainly realized within individual organizations (ODI 2000). Nonetheless, of CSPIP's 12 objectives, none were ranked as fully completed; 6 were deemed to have achieved some progress, and 6 indicated no discernable progress at all. Notably, the report cited several systemic barriers to further progress that remain unresolved to the present day: decentralization; low pay levels; insufficient linkages to related reforms; and budget volatility.

Year(s)	ODI 2000 Evaluation: CSPIP
1996-99	<ul style="list-style-type: none"> • establishment control: “Problems are known but no action plan is in place to resolve” • performance management: “potential to achieve this objective has improved through...performance improvement plans.” • “Performance contracts for Chief Directors and Directors offer the potential, but system-wide constraints limit their effectiveness.” • pay and compensation: re incentive pay: “The Price Waterhouse report created an expectation that has not been satisfied.” • training and development: “A start has been made to quantify skill gaps, but no workable strategies in place.” • re leadership: “Not possible to assess whether any change has occurred.”

A frank critique of CSPIP was included in the government's own 2004 PAR strategy, *Towards A New Public Service for Ghana*.

CSPIP may have been launched ahead of its time being started at a time when the gains from the Civil Service Reform Programme were being reversed and the incentive framework for the service was deteriorating due to the poor macroeconomic framework. (Government of Ghana 2004)

A persistent problem has been the inability or unwillingness to control the size and wage bill of Ghana's civil service. This chronic issue was highlighted in DFID's 2005 evaluation of technical cooperation provided to support economic management. In addition, a related reform, the establishment of a service-wide payroll/civil service registry system has yet to be fully implemented.

Year(s)	OPM 2005 Economic Management Evaluation
1999-2004	<ul style="list-style-type: none"> • establishment control: actual vs. budgeted deviations continue to be well in excess of the norms...largely because of failure to manage the public sector wage bill • IPPD2 (payroll/civil service registry database) was exceedingly inefficient and did not meet project management best practices or norms • "could be argued that it has laid the groundwork for an effective payroll system but this has yet to be proved"

In 2005, the DFID-funded "*Drivers of Change*" study was produced for Ghana.^{iv} This political economy assessment identified patronage systems and the related failure to reform the public service as the key obstacles to positive economic change. The study's arguments on the need for further democratization will be revisited later, but it did link continuing problems within the civil service to broader systemic issues in the political culture.

- *Everyone seems to agree that the public service...has reached a very low ebb. Incentive structures actively discourage initiative and pro-activity.*
- *...the ability of public officials to formulate and carry out policies in accordance with the public interest is heavily constrained by the requirement to service patronage networks. (CDD-ODI Brief 1, 2005)*

The government's current approach to civil service reform is set out in the 2004 strategy document *Towards a New Public Service in Ghana*. Acknowledging past failures, it cites four critical success factors for successful reform going forward:

- sustained political support;
- coordination at the ministerial and cabinet level;
- driven and owned by ministries/agencies rather than externally imposed; and
- balanced approach of "quick wins" and a realistic long-term planning horizon.

A new Ministry of Public Sector Reform has been established to lead the reform. Although it is too early to assess its effectiveness, the familiar problems of low Ghanaian ownership and over-reliance on donors/external consultants do not appear to be at issue. Nonetheless, the Work Programme for 2008 is extremely complex, with 13 priority areas and roughly 50 priority activities, suggesting that past problems

of over-ambitious scope and implementation lags will need to be carefully monitored.

4.3.2 Administrative Reform

Ghana's struggles with administrative reform date back to the 1980s. In principle, the government commits to a streamlined, modernized public sector, but then retreats when confronted with the actual decisions required to make it happen. The Drivers for Change study neatly summarizes the political dilemma.

Politicians seem to take for granted that an affordable civil service reform would have to include large-scale retrenchments. These would be unpopular and fiercely resisted. (CDD-ODI Brief 1, 2005)

The dominant administrative reform themes in Ghana include: downsizing, functional reviews, service quality, and decentralization. DFID has been closely involved with the first three reforms.

The 1987 Civil Service Reform Programme experienced the same obstacles that plagued future administrative reforms over the next two decades; i.e., plans are approved but not implemented; or actions taken are later undermined by counteractions.

Year(s)	ODA 1993 Evaluation: Civil Service Reform Programme
1987-92	<ul style="list-style-type: none"> • downsizing: half of the retrenchments were replaced with new recruits • functional reviews: management reviews "relatively successful...implementation problematic"

Administrative reform was similarly part of CSPIP, with a significant emphasis on improving service quality. The performance improvement plans developed by ministries/agencies included stakeholder assessments and emphasized improved customer service. Although some progress was achieved in this regard, the chronic problems of over-staffing and outmoded organizational structures were not addressed.

Year(s)	ODI 2000 Evaluation: CSPIP
1996-99	<ul style="list-style-type: none"> • downsizing: progress "not yet evident" • functional reviews: "...organization structures changed on paper but skills and processes not yet evident" • service quality: "the publication of service standards is a beginning as well as the setting up of customer service units."

Under NIRP and the related Public Service Management Reform Program, the restructuring of sub-vented agencies was prioritized. During the 1990s, these structures proliferated, creating enormous pressures on the wage bill. Moreover, retrenchments of civil servants tended to be followed by re-hiring back into sub-

vented agencies. Both the Stevens-Teggemann analysis and the World Bank's internal assessment viewed these and other administrative reform efforts as largely unsuccessful.

Year(s)	World Bank - Stevens, Teggemann Report on PAR
1999-2003	<ul style="list-style-type: none"> • functional reviews: Ghana has roughly 300 sub-vented agencies, but none of the restructuring plans developed under PSMRP was ever implemented (note – a very small number of these plans were later implemented) • decentralization: Ghana has made no progress on decentralization during the lifetime of PSMRP

Year(s)	World Bank's 2005 Internal Evaluation of PSMRP
1999-2003	<ul style="list-style-type: none"> • legal framework: developed but not approved • functional reviews: four sub-vented agencies commercialized, four closed (partially successful) • actions taken in 3 of 11 functional reviews of central management agencies (unsatisfactory)

Administrative reform continues to play an important role under the new public sector reform strategy. The 2008 Work Programme includes priority areas devoted to: organizational restructuring of the civil service; service delivery improvement program and citizens charters; central management agencies; sub-vented agencies; and decentralization. In fact, some tangible progress has recently been made in decentralization (30,000 civil servants are slated for transfer into a new Local Government Service) and service quality (citizens charters have been published). Nonetheless, persistent problems remain with respect to the overall structure of government (although a legal framework for sub-vented agencies has been passed, few concrete divestments have occurred) and the complexity and feasibility of the reform.

4.3.3 Policy Management Reform

The earliest attempt at policy management reform, a component on Central Management Agencies (CMAs) under NIRP, produced two achievements, the establishment of the Policy Coordination, Monitoring and Evaluation Unit (PCMEU) in the Office of the President and the consolidated Ministry of Finance and Economic Planning. However, plans for the other CMAs never left the drawing table. In fact, the first substantive attempt to improve the policy management process did not arrive until the CIDA-funded 2003 Ghana Central Governance Program (GCGP). DFID has recently entered this area by supporting the Chief Advisor in the Office of the President to ensure effective implementation and monitoring of the President's priorities.

The only available evaluation of these projects is a draft evaluation prepared for the GCGP's chief executing agency, the Institute of Public Administration of Canada

(IPAC). The overall assessment raised the familiar issues of implementation gaps, approval lags and uncertain sustainability. Moreover, the original project design in which all planned reforms were to be approved and implemented within two years was clearly unrealistic. Notwithstanding, it equally highlighted the significance of the Government of Ghana’s approval of the Cabinet Memorandum Manual and the related improvements to the policy management system in June 2007. Approximately 300 government officials have now received training on the new approach. The evaluation’s conclusion that a piecemeal approach to seeking policy approvals works better in Ghana than comprehensive reform strategies echoes lessons learned in other PAR areas.

Year(s)	IPAC – 2008 Draft GCGP Evaluation
2003-07	<ul style="list-style-type: none"> • strategic planning: although originally conceived as a project component, was never pursued • policy development and review: the proposed 2003 Policy Framework was never approved, although some elements were later implemented • In June 2007, the <i>Cabinet Memorandum Manual</i> was approved by Cabinet... The Cabinet Secretary described the government-wide implementation of the Manual as “shock therapy.” • monitoring and evaluation: a monitoring system tracking implementation of the President’s priorities was successfully established within the Office of the President; this system was later linked to the Chief Advisor’s oversight task.

4.3.4 Public Finance Reform

DFID has been extensively involved in the delivery of public finance reform for over a decade. In particular, support has been provided to establishing a medium-term expenditure framework (MTEF) and payroll system. Other donors, most notably the World Bank, have also been closely involved in public finance reform.

The dominant reform in this area was the 1996 Public Finance Management Reform Program (PUFMARP). PUFMARP represented a massive reform with nine discrete components supported by multiple donors. Although widely regarded as a failure when its umbrella program NIRP was terminated in 2003, it is interesting to note that many of the PUFMARP reforms continue to the present day.

The early prognosis for MTEF support was positive. The 1997 project, when evaluated in 1999, scored well, being rated at 2 out of 5 (DFID Holmes 1999). The usual problems of political commitment, ownership, leadership, participation, and ministry resistance were all viewed as positives. However, like CSPIP, one cautionary note on implementation was struck: *“A successful start has been made with MTEF implementation but considerable effort is required from all stakeholders to see it through to sustainability.”*

Unfortunately, the hoped-for momentum did not materialize and MTEF implementation soon bogged down under the glacial weight and pace of PUFMARP coordination. A 2003 comparative assessment of MTEF programs in eight African

countries characterized Ghana's program as "struggling" and reflected on the early enthusiasm.

The MTEF...in Ghana is a reminder that longevity and an impressive first year of implementation are no guarantee of maturing... It will not make a dysfunctional system function more effectively overnight. And it will only improve things over the medium term if it is accompanied by attention to the full range of public sector practices. (DFID MTEF 2003)

The 2004 Stevens-Teggemann assessment of MTEF even contested the early claims of Ghanaian ownership.

Year(s)	World Bank - Stevens, Teggemann Report on PAR
1999-2003	<ul style="list-style-type: none"> • budget formulation: MTEF: "early progress stalled"; "...budgeting in practice has reverted to the dysfunctional incrementalism that characterized previous budget efforts." • Ghana's MTEF was largely prepared by consultants; "ownership and understanding of key policy makers was never more than superficial"

A DFID-funded review of technical cooperation supporting economic management in Sub-Saharan Africa from 1999-2004 included a case study on Ghana (DFID OPM 2005). The evaluation contended that; "...for the most part, aid projects were seen as part of the institutional problem rather than part of the solution"

Year(s)	OPM 2005 Economic Management Evaluation
1999-2004	<ul style="list-style-type: none"> • budget formulation: – the MTEF technical cooperation was initially declared a success (after 2 years) owing to the positive, participatory approach, but problems in implementation began to emerge • the MTEF project did not meet its objective of improving the cost effectiveness of government resource allocation • "rudimentary MTEF in place"; for MTEF support, 5 of 10 original outputs were fully achieved, 3 partially and 2 not at all • budget execution: "improvements have largely failed to address the core problems (significant deviations between approved vs. actual budget expenditures) which existed at the outset of period, most of which have persisted to 2005" • "no improvements in forecasting salary payments" • IPPD2 (payroll database) was exceedingly inefficient and did not meet project management best practices or norms • "could be argued that it has laid the groundwork for an effective payroll system but this has yet to be proved" • introduction of VAT: successfully implemented after a failed first attempt; revenue service continues to deliver its targets

Another DFID-funded 2005 assessment expressed scepticism concerning the progress of public finance reform, although some signs of improvement were acknowledged (CDD-ODI Brief 2, 2005).

Year(s)	CDD-ODI Briefing Paper 2 - 2005
not specified	<ul style="list-style-type: none"> • budget formulation: “the expenditure budget is largely a ritualized facade, bearing little relation to actual state spending” • “regularly large deviations between budget estimates and actual spending • accounting and financial control: “evidence of large leakages in allocated funds between their release from the centre and their arrival at the point of service delivery”

Evidently, the public finance reform story, up to NIRP's demise in 2003, was the familiar one of over-reaching design and under-achieving implementation. However, since that time some positive progress needs to be acknowledged.

The conclusion of the Multi-Donor Budget Support (MDBS) agreement beginning in 2003 heralded a more structured engagement between donors and the government. The MDBS bilateral donor/EU policy matrix contained 12 triggers linked to the disbursement of the performance tranche of the support. Six of these related to public finance reform. Although later matrices (performance assessment frameworks) have expanded in scope, progress in public finance reform remains central.

The IMF/World Bank assessment of Ghana's performance against public financial management benchmarks shows marked improvements.

Ghana's Rating vs. Public Financial Management Benchmarks

Year	Met	Not Met	Total
2001	1	14	15
2004	7	8	15
2007	8	7	15

Note: IMF/WB PEM Benchmarks set in conjunction with HIPC initiative

Ghana was one of the first countries to complete and publish its Public Expenditure and Financial Accountability (PEFA) assessment. PEFA represents a multi-donor (including DFID) initiative to establish baseline data across countries using 31 performance indicators. Ghana's 2006 PEFA assessment was scored as follows for the 24 indicators within the government's control:

Ghana's PEFA Scores

A	B	C	D
2	7	12	3

Note: A is highest; D is lowest

Although room for improvement obviously exists, the PEFA scores infer that Ghana is beginning to make progress in this area. In fact, the more detailed comments on Ghana's PEFA performance reinforce the general observation that: *Ghana's PFM system is performing at an average standard, and in some areas at an above average level.* (PEFA 2006)

Year(s)	PEFA Review 2006
2006	<ul style="list-style-type: none"> • legal framework: “Ghana’s public financial management (PFM) system is based on a solid legal and regulatory framework” • budget formulation: “credibility of the budget is adversely affected by significant variances in the use of resources...variances reflect weaknesses in budget formulation • budget execution: “MTEF is difficult to implement as planned, with no clear mechanism to follow the link from detailed activities to actual budget execution” • accounting and financial control: “paper-based nature of many of the financial management systems...can affect data accuracy • “capacity constraints can lead to potential compliance issues with internal control rules” • internal audit: “government has recognized weaknesses in management and oversight...improvements are under way in internal audit” • transparency: “transparency of the budget documentation has improved considerably over the last two years” • strategic planning: “weaknesses in budget planning prevent resources from being effectively utilized to meet Government policy priorities.” • “incomplete costing of sector strategies makes it difficult to allocate resources across and within sectors appropriately”

Debate continues on how far the reforms have progressed. For instance, the 2007 ODI-CDD evaluation of Multi-Donor Budget Support (MDBS) questioned Ghana’s absorptive capacity for additional budget support, although both DFID and the World Bank have indicated that this could be considered.

Ghana is implementing a credible and government owned set of reform programmes in the areas of public financial management, public sector reform and tax administration...the trajectory is expected to remain positive. (DFID Memorandum 2005)

...weaknesses in GoG planning and implementation systems suggest that MDBS increases that would significantly increase overall aid would run into absorptive capacity problems. (ODI-CDD 2007)

Interviews with Ghanaian officials from the Ministry of Finance and Economic Planning (MoFEP) emphasized that the lessons learned from their PUFMARP experience continue to shape their current reform efforts. Interestingly, despite some contrary advice from donors, the protracted cross-country rollout of the much maligned Budget and Public Expenditure Management System (BPEMS) and implementation of the IPPD 2 payroll system continue, but at a much slower pace.

Officials underscored that the negative assessments of PUFMARP, while valid at the time, should not discredit the overall approach and that the perceived failure of the overall strategy concealed a number of positive accomplishments. For example, BPEMS is now functioning in eight ministries and IPPD2, while not fully functional, has, according to officials, enabled MoFEP to make some initial progress on the issue of ghost employees.

Conclusion

On the surface, the track record for PAR in Ghana, at least through 2005, has been dismal. The problems and barriers to meaningful reform cited in current evaluations are not dissimilar from those identified in assessments from the early 1990s. It is not unreasonable to pose the question: why bother? Given that Ghana's democratic progression continues apace and better results have been achieved in other areas, should DFID exit PAR altogether in Ghana as a development assistance priority? With no pretence of proffering definitive answers, the following are some possible arguments for staying the course.

First, as a fundamental component of good governance, abandoning PAR would be tantamount to repudiating the central direction of the 2006 White Paper, *Eliminating World Poverty: Making Governance Work for the Poor*. The White Paper positioned improved governance front and centre as an enabling condition of sustainable poverty reduction.

...the fight against poverty cannot be won without good governance...To this end, over the next five years, the UK will deliver our promises to...put support for good governance at the centre of what we do, focusing on state capability, responsiveness and accountability.

In fact, DFID has instituted a new analytic instrument, Country Governance Analyses, to inform country assistance plans. The first such assessments were approved in 2007.

Second, effective PAR implementation is essential to reducing fiduciary risk. As more funding is directed to general budget support, it becomes crucial to ensure that sufficient institutional capacity exists to implement strategies and policy commitments in a transparent, cost-effective manner.

Third, the overall PAR approach in Ghana has been flawed. The reforms have tended to be organized around comprehensive, meta-frameworks, often promoted by donors. One of the overriding lessons learned on both sides is that a more measured, piecemeal approach may be more effective.

Fourth, the payoffs of a successful PAR can be significant. A recent World Bank study, assessing the administrative capacity of recent EU member states by benchmarking them against other EU states, ranked Lithuania and Latvia far above the other new members and in some cases above the EU average (World Bank Administrative Capacity 2006). Both Baltic countries implemented successful, comprehensive PAR reforms, but only after a lengthy period of trial and error. Ghana is clearly still finding its way, but the benefits of a renewed PAR effort could be substantial.

Finally and most importantly, Ghana may now be ready. Although familiar problems persist, there have been concrete signs of progress over the last two years. For example, the long-stalled decentralization program is at last proceeding. The PEFA assessment demonstrated that progress is being made in public finance reform. The recent Cabinet approval in June 2007 of the Cabinet Memorandum Manual signals that policy management reform may be gaining traction. Citizens Charters and a Citizen's Guide to the Budget have been published.

Before declaring victory, more evidence is required to confirm that these promising but nascent signs are part of a distinct reform trend. In particular, the red flags raised in the *Drivers of Change* policy brief concerning barriers to further reform, and more broadly to Ghana's continuing democratization, need to be considered. This segues to the next topic: the intersection of PAR and democratization.

5.0 GOOD GOVERNANCE, PUBLIC ADMINISTRATION REFORM AND DEMOCRATIZATION

At this point, it is worth recalling that this case study is intended to contribute to a broader examination on delivering and evaluating democratic assistance (DA). Is it problematic, then, that PAR appears more a distant cousin than close relative? This section will make the case that the conceptual distance is not only less than meets the eye, but that aid effectiveness could be increased if the intricacies of this inter-relationship were better understood. Ghana, in fact, demonstrates this point.

5.1 Linkages and Leverage

For DFID the emphasis on democratization is relatively recent. In fact, neither the 1997 nor 2000 White Papers discuss the potential role of democratic assistance as a development strategy. By contrast, the 2006 White Paper incorporates “Accountability”, which aligns closely with democratization, as a core component of its governance framework. As mentioned, PAR is strongly reflected in the “State Capability” component.

DFID’s Governance Framework

State Capability	Responsiveness	Accountability
<ul style="list-style-type: none"> • providing political stability and security • setting good rules and regulations • creating the conditions for investment and trade, and promoting growth in jobs and incomes • managing public finances and putting government policies into practice effectively • making sure government departments and services meet people’s needs • keeping borders secure and helping people move safely and legally 	<ul style="list-style-type: none"> • providing ways for people to say what they think and need • implementing policies that meet the needs of the poor • using public finances to benefit the poor –for example to encourage growth and provide services • providing public goods and services in ways that reduce discrimination and allow all citizens –including women, disabled people and ethnic minorities – to benefit. 	<ul style="list-style-type: none"> • offering citizens opportunities to check the laws and decisions made by government, parliaments or assemblies • encouraging a free media and freedom of faith and association • respecting human rights and ensuring that the ‘rule of law’ is upheld, for example by an independent judiciary • providing regular opportunities to change leaders in peaceful ways

Source: 2006 White Paper

As promised in the White Paper, DFID has introduced a Country Governance Analysis (CGA) instrument, which assesses the status of State Capability, Responsiveness and Accountability in each country. For example, the Accountability assessment in the draft CGA for Mozambique covered the political environment, decentralization, government transparency, media, justice, civil society, and human rights (DFID Mozambique 2007). DFID has also established a 100 million pound Governance and Transparency Fund to “*strengthen civil society and the media to help citizens hold their governments to account.*”

DFID is hardly unique in citing the potential synergy between PAR and democratization. In fact, USAID’s 1998 democracy and governance framework^V

presented the same linkages, albeit with decidedly different emphases. For DFID, democracy is a desirable, but still optional development strategy. The 2007 DFID policy booklet, *Governance, Development and Democratic Politics*, expands:

The relationship between democracy and development is contested. Democratic politics is not a prerequisite for economic growth and poverty reduction in the short term. Many of the Millennium Development Goals can be achieved with very different governance arrangements...But evidence suggests democracies have prevented the worst-case scenarios...In addition to enabling the full range of freedoms and rights, and helping people to create the kind of societies they wish to live in, democratic politics helps protect and sustain economic growth and development more effectively in the long run. (DFID Governance 2007)

By contrast, USAID's democracy and governance strategic framework advances democratic promotion more as a foreign policy imperative than a potential development strategy. Governance therefore is presented as an enabler of democratization rather than a pre-requisite for successful development.

It is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and every culture, with the goal of ending tyranny in the world...USAID is advancing the president's freedom agenda. (USAID 2004)

Stronger attention to good governance across all USAID programs will strengthen the promotion of democratic transition and consolidation. (USAID 2004)

Although sharp distinctions exist between the two frameworks, they converge on one important point: that effective PAR and democratization can be mutually reinforcing, whether the broader objective is world-wide democracy or poverty elimination.

Not surprisingly, given the relative newness of DFID's framework, the nature and nuances of these linkages have not yet been explored. For instance, a closer look at PAR reveals a number of specific interventions that could significantly affect the achievement of select democratization goals. Moreover, the boundaries of PAR projects are seldom so discrete that they cannot be expanded to include sub-projects with non-executive bodies that support democratization.

To illustrate, the table below identifies specific elements of PAR projects or related sub-projects outside the executive branch that could positively affect democratization. In theory, many of these prospective linkages have been previously noted (Perlin 2008) and in practice, most of these approaches have been pursued in various countries at various times. But how often does a systematic assessment of democratic potential inform PAR project design and what are the motivations and incentives for pursuing a more explicit pro-democratization approach?

Linkages Between PAR and Democratization

PAR Component	PAR Element/Sub-Project	Democratization Component
civil service reform	merit-based recruitment	anti-corruption
	establishment of an appeals commission (for civil service law) reporting to parliament	effective oversight; legislative strengthening
	freedom of information law	free flow of information; citizen engagement; increase role of civil society; independent media
	capacity building at sub-national levels	democratic decentralization
policy management reform	ensure extensive external consultation as part of national/sector strategy development and monitoring	citizen engagement; increase role of civil society
	require external consultation as part of policy development process	citizen engagement; increase role of civil society
	require gender impact assessment as part of policy development process	human rights
	require policy and financial impact assessments to indicate local government impact	democratic decentralization
	include declaration of assets, conflict of interest in Ministers' Handbook	anti-corruption
	election transition planning	fair elections
administrative reform	decentralization/local self government	democratic decentralization
	functional review (justice sector)	strengthen judicial institutions; access to justice
	e-government (improve public access to information, bypass rent-seeking opportunities)	free flow of information; citizen engagement; anti-corruption
	public complaints function	citizen engagement; anti-corruption
	establishment of ombudsman function	effective oversight; human rights
public finance reform	improving program/ output costing (linked to transferring powers to sub-national level)	democratic decentralization
	public pre-budget consultations	citizen engagement; increase role of civil society
	improved, publicly available budget information linking plans to actual results	free flow of information; legislative strengthening; increase role of civil society
	strengthen parliamentary committees on finance/ economy or public accounts	legislative strengthening; effective oversight
	strengthen authority and capacity of state audit function	effective oversight; anti-corruption

This list of PAR-democratization linkages is far from exhaustive, but does underscore the potential for leveraging democratic reform through PAR projects; for example, a public finance reform project that incorporates a sub-component on strengthening the role/capacity of parliamentary committees; or a policy

management reform project that includes transition planning; or a civil service reform that includes a freedom of information law as part of the new legal framework.

In fact, the issue of linkages between PAR and democratization may be highly relevant to Ghana. The 2005 *Drivers for Change Policy Brief* contended that critical democratic deficits in areas such as patronage systems and decentralization were blocking meaningful PAR reform, which in turn constituted a threat to further democratization. While acknowledging that democratization cannot serve as a universal guarantor of good governance, the brief inferred that, at least in Ghana's case, such an approach merited consideration.

Interestingly, at a recent meeting with members of the Center for the Development of Democracy (the organization that co-wrote the assessment) in Accra, it was suggested that some progress had been made since the publication of the 2005 policy brief. Most notably, civil society had been meaningfully engaged in the consultations that produced an agreement with the Government on democratic decentralization. In addition to the upcoming transfer of 30,000 officials to a Local Government Service, it has apparently been agreed that presidentially-appointed local officials will be replaced by elected officials by 2012. On the other hand, the point was made that draft freedom of information legislation remains stalled and state corruption levels continue to be disturbingly high.

The point here is not to pronounce definitively on the current or future course of PAR or democratization in Ghana; rather, to make the case that the nuances of this relationship warrant closer examination and need to be better understood and monitored by governments, donors, parliaments and civil society. However, no examination can proceed without first considering the dramatic changes taking place in the way aid is being delivered in countries like Ghana.

5.2 Trends in Aid Delivery

DFID's approach to aid delivery in Ghana has been significantly influenced by the 2005 Paris Declaration on Aid Effectiveness. As discussed, the primary aid vehicle for DFID in Ghana is general budget support with 52% of aid provided through the Multi-Donor Budget Support program. Moreover, commitments to utilize country systems and reduce administrative overhead have encouraged programmatic approaches where lump sums are disbursed by a selected partner in support of a broad policy objective; in Ghana, the Ministry of Public Sector Reform administers a fund to implement the government's annual reform work programme and the civil society consortium Rights and Voice Initiative oversees a fund to expand community-level advocacy. While laudable with respect to aligning DFID's aid programme with Paris Declaration principles, the implications for PAR and democratic assistance need to be examined.

First, there will be fewer traditional projects. General budget support injects additional funding into the state budget to assist with the delivery of agreed

government priorities through existing government systems; in Ghana's case, the priorities that are set out in GPRS II. Donor influence accordingly shifts from being one of managing project design and selection to one of engaging in a broad policy dialogue, sometimes backed by conditions and triggers.

Second, pressure to accelerate PAR will increase. Since donors are accepting increased fiduciary risk through the provision of general budget support, governments will be pressured to strengthen budget, treasury, procurement, internal audit, statistical, strategic planning and monitoring systems; i.e., those government-wide systems that directly affect the level of financial and policy risk.

Third, donors' latitude to shape projects will diminish. Donors will no longer propose detailed terms of reference, run the tendering and selection process, and establish project implementation units (PIUs) to oversee project delivery. While far from ideal, traditional aid delivery did facilitate tailored projects. Using the example of budget reform, the finance ministry will now negotiate the pace and content of the reform with a group of donors and, if desired, secure technical assistance by applying to a pooled fund administered by the government ministry responsible for PAR. Under these types of arrangements, the likelihood of pursuing an integrated budget reform project involving the finance ministry and, say, Parliament's Public Accounts Committee would be very low.

Fourth, non-PAR democratic assistance projects may be disadvantaged. As more funds are increasingly moved into the state budget, less may be available for projects with external partners, such as Parliament, the judiciary and civil society. Moreover, the capacity of administrative units supporting these external bodies may not be sufficient to meet donors' procurement and project management standards in a post-PIU world.

Admittedly, not all donors are moving towards harmonization as quickly as DFID and DFID itself will retain a significant bilateral programme. Within that programme, DFID and other donors could certainly prioritize projects with non-Executive Branch partners. In fact, Ghana's Rights and Voice Initiative project demonstrates that administrative streamlining and pro-democratization programmes can be compatible. Nonetheless, the ongoing restructuring of aid delivery and the related implications for democratic assistance need to be monitored.

* * *

This section has focused on linkages and potential synergies between PAR and democratization. It has further been argued that trends in aid management, while praiseworthy, will present challenges to realizing these benefits. At this point, it is worth revisiting DFID's governance evaluations to see whether and how these issues have been addressed and to determine an appropriate response where gaps exist.

6.0 EVALUATING PROGRESS

The content of this case study on PAR in Ghana has primarily been drawn from DFID or jointly-funded evaluations. In this final section, the focus will shift to the evaluations themselves: do they tell us what we need to know? how do they do this? how can we be sure they are right? what else needs to be done?

It is hardly a closely-guarded secret that the evaluation community generally finds donor efforts in this area to be lacking (for example, see Crawford, Kearton 2002). Burnell's "top ten list" of conundrums facing DA assessments further underscores the extent of the evaluation challenge, whether it be blurry analytic boundaries, problematic attributions of effect, or inability to make a meaningful jump from output to outcome (Burnell 2007). Suffice to say that any gaps identified in DFID's approach are likely applicable to most donors.

6.1 Evaluating DFID

Before considering the Ghanaian evaluations specifically, it is worth reviewing how DFID itself is assessed by the Government and Parliament.

As a UK government department, DFID negotiates a public service agreement (PSA) with the Treasury Department containing its vision and the indicators to be used in determining whether or not it is on track in meeting its commitments (UK Government PSA Agreement 2007). In DFID's case, both its vision and the indicators support the achievement of the eight Millennium Development Goals (MDGs) to be delivered by 2015. DFID's governing high-level strategy is the 2006 White Paper on *Eliminating Poverty: Making Governance Work for the Poor*.

DFID's budget is negotiated with Treasury through periodic spending reviews which establish multi-year budgets and performance expectations. The current budget was determined through the 2004 government-wide spending review. The 2008/09 to 2011/12 budgets were set recently through the 2007 comprehensive spending review.

DFID's accountability to Parliament is governed by the International Development (Reporting and Transparency) Act 2006. DFID reports semi-annually on progress towards the PSA indicators and internal efficiency targets in autumn and annual reports. The reports use a red-amber-green light system to indicate whether a target is on course, broadly on course, or not on course^{vi}. In cases, where there is underperformance, an entry on "what DFID is doing?" is provided.

Overall responsibility for evaluation falls to DFID's Evaluation Department. To ensure evaluation independence, an Independent Advisory Committee on Development Impact (IACDI) has been recently established and convened its first meeting in December 2007. IACDI provides a challenge function to the Evaluation

Department and will approve its work plan and priorities. At present, a new DFID evaluation policy and strategy is anticipated during 2008.

DFID has produced guidelines on evaluation and review (DFID Evaluation 2005). The document is intended to support DFID officials in country offices and reinforces DFID's policy of decentralizing authority to local staff. The manual differentiates between evaluations (impartial, independent, in-depth) and reviews (progress reporting; often by DFID staff). The former is conducted post-implementation to determine value and effectiveness, while the latter takes place during and immediately after implementation and relates more to ongoing project/programme management. All projects over 1 million pounds must be reviewed annually; these reviews focus on achieved versus planned outputs and impact (using objectively verifiable indicators), the relevance of the LFA, risk management and lessons learned.

6.2 The Ghana Evaluations

This case study has cited a variety of DFID-funded evaluations^{vii} related to PAR over the last ten years. The table below describes these in terms of scope and time horizon.

Evaluation	Years	Scope
Civil Service Reform Programme (CSRP)	1987-92	Assessment of whether CSRP achieved its objectives, how well it was designed/delivered and lessons learned to inform a future phase
Civil Service Performance Improvement Programme (CSPIP)	1996-99	Assessment of whether CSPIP achieved its objectives, how well it was designed/delivered and lessons learned to inform a future phase
Economic Management (technical cooperation)	1999-04	Ghana was one of four case studies that contributed to a synthesis report focusing on the role and effectiveness of technical cooperation in support of economic management
MTEF	1999-02	Ghana was one of eight case studies focusing on the design and implementation of MTEF programs
Country Programme	2000-05	Comprehensive assessment of DFID's entire Ghana programme over five years.
Drivers of Change	up to 2004	A political economy assessment of the political incentives and barriers to improving economic policy and implementing public sector reform
PEFA	2006	Part of the PEFA benchmarking initiative being sponsored by eight donors to establish baseline information on public financial management to be compared over time and across countries
Budget Support	2003-06	Focused on the effectiveness of general budget support in Ghana and the approach to providing it.

Although the evaluation subjects and scope are diverse, the majority of the evaluations followed similar methodological approaches; i.e., DFID hires an independent consulting firm, usually partnered with local consultants; the consulting

team conducts an extensive documentation review and undertakes field work (mostly client and stakeholder interviews) to arrive at conclusions regarding the achievement of stated objectives, suitability of programme/project design, effectiveness of programme/project delivery, quality of risk management, and lessons learned. The majority of evaluations focused on the programme level (a series of related projects or an aid modality designed to implement a broader reform) rather than individual projects. Since so often in Ghana's case, the assessment was negative, the consultants typically placed a major emphasis on informing the design for the next project phase.

Beyond the customary analysis of expected versus achieved results, several of the evaluations provided additional dimensions:

- the Country Programme evaluation compared performance across programme areas (e.g., governance vs. human development);
- both the Economic Management and MTEF evaluations compared Ghana's progress against that of other African countries;
- the Drivers for Change study presented a political economy assessment of PAR and introduced the idea of linkages to democratization;
- the PEFA evaluation established benchmarks for 24 indicators within the government's control for public finance reform; and
- the MDBS assessment utilized quantitative techniques to ascertain whether shifts in expenditure patterns accompanying general budget support were instrumental in improving performance towards poverty reduction goals.

Given the extremely lengthy reform process, it is reasonable to ask whether the lessons learned from the evaluations were ever applied; i.e., did the evaluations serve as a learning tool? With respect to the chronic reform problems cited earlier (insufficient ownership; low capacity; implementation delays/failures; consultant-driven), the answer would be a qualified yes, but only after repeated articulation.

In interviews with Ghanaian officials, there was clearly a broad awareness of past evaluations and a shared sense of the recurring problems. In particular, the message concerning implementation gaps continues to resonate. Less positively, several Ghanaian officials remarked that donor evaluations (not necessarily DFID's) centred their critique on government failures while omitting or downplaying criticisms of the donors themselves. One commented that "I didn't read anything that I had to say in it." A related criticism was that the grandiose reform schemes were largely donor-driven and destined to fail in the Ghanaian environment. Notwithstanding, the officials felt that the well-publicized failures on the grand scale masked steady, incremental gains being achieved on-the-ground by Ghanaian civil servants working under difficult conditions.

6.3 Evaluation Gaps

Cumulatively, the evaluations present a reasonably coherent, continuous narrative of DFID's support to PAR in Ghana in the priority areas of public finance reform, civil service reform and administrative reform. However, the particular style of the evaluations does leave some questions unanswered.

Where is the longer term? Most of the evaluations utilized a medium-term (3-5 year) time horizon. Although such a perspective makes sense and should be retained going forward, there is a sameness to the conclusions and lessons learned. If it is always the preceding 3-5 years being examined, we miss the more pertinent questions concerning lack of progress over ten, fifteen or in some cases twenty years. Given the longevity of Ghana's PAR program, the protracted dearth of tangible results, and recent signs of momentum, a longitudinal, perhaps comparative study could shed light on a broad range of PAR and aid effectiveness issues.

Would we know if progress was being made? An inherent problem of assessments that focus on the achievement of programme/project objectives is the implicit assumption that these objectives represent the optimum course of action. But what if they do not and how would we know? This dilemma raises the issue of micro, meso and macro indicators. For PAR programs, micro indicators, commonly expressed as project outputs, have always been there. In recent years, macro indicators have proliferated with a wide range of governance indexes, scores and surveys. Largely absent, however, is the missing middle or a set of empirical meso indicators able to link programme/project results to higher-level impacts. For example, the 1993 and 2000 evaluations on civil service reform, while assessing specific DFID interventions in 1987-1992 and 1996-99, did not reveal the degree to which the broader civil service reform had progressed. Interestingly, the 1993 evaluation recommended the development and tracking of such indicators.

The PEFA exercise represents a significant effort to establish such measures for public finance reform (World Bank PEFA 2006). By periodically measuring progress achieved towards the PEFA indicators, it will be possible to determine whether a programme or set of projects, well executed or not, contributed towards better public financial management. Similar frameworks are required to gauge progress towards civil service, administrative and policy management reforms. Although the World Bank has developed internal instruments in this regard^{viii}, these have not been widely disseminated. Currently, the Bank is working on a new initiative to develop "actionable governance indicators" to bridge this gap. Tentatively, the indicators will include PAR areas not already covered by PEFA, such as civil service reform, and eventually democratization themes, such as political accountability, checks and balances, civil society/media/private sector interface, and decentralization and local participation.

What about democratic assistance? Beyond the democratic analysis in the Drivers of Change study, none of the evaluations covered DFID's democratic assistance (DA). Admittedly, DA has played a minor role in DFID's governance programme, but DFID projects have supported civil society, the electoral commission and Parliament's Public Accounts Committee. Given that the new Country Governance Analysis methodology includes an assessment of democratization (Accountability) alongside State Capability and Responsiveness, closer attention will need to be paid to democratic assistance. Moreover, in Ghana's case, the political economy assessment (Drivers for Change) underscored the mutual dependencies across the governance components. The understanding and assessment of these dynamics also presents an evaluation challenge. Essentially, the three components of the governance framework need to be "joined-up."

6.4 Trends in Aid Delivery: Implications for Evaluation

For DFID in Ghana, the trend towards programmatic approaches, such as general budget support, is inexorable. Increasingly, the traditional, hands-on approach to aid management will be reserved for conflict-affected, post-conflict and/or fragile states.

In the previous section, the challenges for PAR and democratic assistance in implementing Paris Declaration principles were cited. The implications for evaluations will be similarly profound.

Evaluating a traditional aid project requires a clear starting point, including an agreed statement of objectives, a proposed set of activities, and a list of resource inputs and expected outputs. Programme evaluations take a broader view, but generally aggregate a set of related projects or interventions. But what if projects didn't exist, or aid disbursements were entirely fungible, or donors delegated project selection and management to a third party? Welcome to evaluation in the post-Paris Declaration era.

It is not that the problems will be new; just more amplified. To mention two examples:

- Attributions of causality, never simple, become extremely tenuous as achieved results in various sectors are linked to shifts in expenditure patterns rather than to a particular set of project interventions. In essence, the evaluator must reconstruct a hypothetical set of sector allocations and achieved results in the absence of budget support. Although a set of conditions or triggers may be attached to the funding, and can therefore be claimed as tangible achievements, these will generally be unrelated to the funding itself.
- The quality of data will depend on the quality of the government's own monitoring and reporting system. Without project implementation units or donor-shaped project environments, the results being reported will be those

collected by central and ministry monitoring units. In some countries, the capacity of such units and corresponding data reliability are very low.

The point here is not, of course, to wax nostalgic about PIUs, but to suggest that some re-thinking of evaluation may be warranted in Ghana and other countries where aid is increasingly programmatic and being aligned with national strategies and country systems. With respect to evaluating general budget support, this rethinking has already begun at both the overall (National Audit Office 2008), comparative (DFID PRBS 2004) and country (ODI-CDD 2007) levels.

In a sense, the new trends in aid delivery represent a breaking down of boundaries. Aid disbursement mechanisms will decreasingly demarcate donor vs. government activities (funding is fungible) or distinguish between donors (funding is pooled). The evaluation challenge will be to move away from assessing a particular set of related aid projects by a single donor towards a shared evaluation of government performance. More than ever, aid effectiveness will be synonymous with government effectiveness.

For PAR, this reprises the importance of finding meaningful meso measures (or actionable governance indicators) that link activities and outputs to higher-level impacts. For democratic assistance, which relies more on traditional project delivery structures, this requires a concerted effort to ensure that it is not disadvantaged by the new trends and that the linkages and leverage between different governance components are better understood. For good governance in general, quantitative measurement needs to be supplemented by qualitative techniques. Political economy assessments can contribute an important perspective. Participative evaluation may provide an effective, ongoing mechanism (Crawford, Kearton 2002), although the monitoring and evaluation team would focus on progress of the overall reforms rather than a particular project. In sum, going forward, evaluation will need to be more aligned, participative, joined-up, and locally owned; or, stated another way, more democratic.

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Endnotes

ⁱ Decentralization/local self-government is obviously not an exclusive concern of the central government. However, this component of PAR projects commonly involves extensive work with the central government organization responsible for decentralization and the Ministry of finance (re financial transfers to sub-national levels).

ⁱⁱ This list of policy management reforms adapted from SIGMA Paper # 35 (Ben Gera, M., 2004).

ⁱⁱⁱ DFID, the Department for International Development replaced the Overseas Development Agency (ODA) in 1997.

^{iv} Through the Drivers of Change initiative, DFID supports a political economy assessment of development assistance and the political environment. While the majority of these assessments have been completed for African countries, assessments have also been completed for Asian and South American countries.

^v USAID's 1998 Democracy and Governance Framework included the following components and sub-components

Rule of Law	Elections/ Political Processes	Civil Society	Governance
<ul style="list-style-type: none"> • legal frameworks/human rights • justice sector institutions • access to justice 	<ul style="list-style-type: none"> • impartial electoral frameworks • credible electoral administration • effective oversight • informed/active citizenries • competitive multi-party systems • inclusion of women, disadvantaged • effective transfer of political power 	<ul style="list-style-type: none"> • legal frameworks • increased citizen participation • free flow of information • democratic political culture • increased institutional and financial viability 	<ul style="list-style-type: none"> • democratic decentralization • legislative strengthening • governmental integrity • policy implementation • civil-military relations

^{vi} The current targets reflect DFID's development priorities for its 2005-08 PSA: target 1 focuses on 16 key Sub-Saharan African countries; target 2 on 9 key countries in Asia; target 3 on improved effectiveness of the multilateral system; target 4 on obtaining EU reductions in trade barriers to developing countries at the WTO; target 5 on improved, more effective conflict prevention; target 6 that 90% of DFID bilateral support goes to low income countries.

^{vii} DFID does not consider the annual project reviews, often performed by DFID officials, as evaluations, which it views as more longitudinal and to be conducted by an independent organization.

^{viii} For example, the Europe-Central Asia (ECA) branch of the Poverty Reduction and Economic Management (PREM) division developed a human resources management toolkit to assess the progress of civil service and administrative reforms in six categories: legal and ethical framework; institutional framework; employment and pay policy management; human resources management and practices; training and career development; management practices and culture. N. Manning and G. Evans also produced some initial work on measures to assess policy management, using Lithuania and Latvia as examples (published as *Helping Governments Keep Their Promises: Making Ministers and Governments More Reliable Through Improved Policy Management*).