

**An Independent Review of World Bank Support to
Capacity Building in Africa:
The Case of Ghana**

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Acronyms

ACBF	African Capacity Building Foundation
BESIP	Basic Education Sector Investment Program
BPEMS	Budget and Public Expenditure Management System
CAS	Country Assistance Strategy
CB	Capacity Building
CFAA	Country Financial Accountability Assessment
CPAR	Country Procurement Assessment Report
CSPIP	Civil Service Performance Improvement Programme
DFID	Department for International Development (UK)
DFR	Department of Feeder Roads
DUR	Department of Urban Roads
EMIS	Education Management Information Systems
ERSO	Economic Recovery Support Operation
ESDP	Education Sector Development Project
ESW	Economic and Sector Work
GPRS	Ghana Poverty Reduction Strategy
GDP	Gross Domestic Product
GES	Ghana Education Service
GHA	Ghana Highway Authority
GHS	Ghana Health Service
HSSP	Health Sector Support Project
ICR	Implementation Completion Report
IDA	International Development Association (World Bank)
M&E	Monitoring and Evaluation
MIS	Management Information System
NACVET	National Council for Technical and Vocational Education
NIRP	National Institutional Reform Program
NOC	National Oversight Committee
OED	Operations Evaluation Department of the World Bank
PIU	Project Implementation Unit
PRSP	Poverty Reduction Strategy Paper
PRSC	Poverty Reduction Support Credit
PSMRP	Public Sector Management Reform Project
PUFMARP	Public Financial Management Reform Program
PFMTAP	Public Financial Management Technical Assistance Project
SWAp	Sector Wide Approach
TA	Technical Assistance
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WBI	World Bank Institute

Executive Summary

1. This study of Ghana is one of six country case studies undertaken as part of an independent evaluation by the World Bank's Operations Evaluation Department (OED) of the relevance and effectiveness of World Bank support for public sector capacity building in Sub-Saharan Africa over the past ten years (1995-2004). In each case study, particular attention has been paid to the Bank's support for capacity building in four focal areas: education, health, roads and public expenditure management.
2. In the past decade, Ghana has returned to democratic government, registered reasonable economic growth and steady, if modest, improvements in most social indicators—school enrollments, health outcomes, employment, poverty. The World Bank has lent \$2.2 billion to Ghana since 1993, the second largest IDA borrower in Africa, after Ethiopia. Despite this support, achievements have generally been disappointing. The economy is smaller today than in the early 1990s. While education and health outcomes are generally better than in neighboring countries, there has been stagnation in poverty reduction, maternal health, and girls' primary school enrollment. Structural reform begun in the mid 1980s has been sporadic. Privatization, decentralization, public service reforms have been on the agenda for two decades with limited results. The private sector is not yet a real engine of growth and employment.
3. And yet, Ghana possesses considerable human capacity. Talented individuals are found in government, non-governmental organizations, educational institutions and the private sector, and at all levels—national, district and community. An institutional framework of under-performing organizations, poor policies and a fractious polity has often stifled their talents. There are areas of real achievement, such as roads and health services, as well as failure in such areas as public service reform and the computerization of public expenditure management.
4. The Bank's support for capacity building has contributed to both the successes and the failures. Since FY1993, the Bank committed about \$1.04 billion of investment lending in the four sectors reviewed of which \$337 million (33 percent) was allocated to capacity building activities. In addition, the Bank provided some \$689 million in adjustment/budget support of which \$296 million (43 percent) supported capacity building measures. No overall strategy for capacity building was articulated and the interrelationships between public sector reform and sector programs were not explicitly managed. There has generally been somewhat greater success in organizational development than in institutional change or human resource development. The sector-wide approach, where the Bank plays a supporting role rather than driving the agenda, appears to be more promising for capacity building than investment lending. While this has tended to lessen traditional support to capacity building at the technical level more difficult, the tradeoffs in terms of ownership and attention to the institutional framework appear to be positive. Overall, the Bank's support to capacity building in Ghana over the past decade is rated marginally satisfactory.

1. Introduction

Objectives

1.1 This study of Ghana is one of six country case studies undertaken as part of an independent evaluation by the World Bank's Operations Evaluation Department (OED) of the relevance and effectiveness of World Bank support for public sector capacity building in Sub-Saharan Africa over the past ten years (1995-2004). In each case study, particular attention has been paid to the Bank's support for capacity building in four focal areas: education, health, roads and public expenditure management.

Methodology for the Ghana Country Study

1.2 The Ghana Study involved document reviews, interviews and data analysis. The principal documents include (i) Country Assistance Strategy papers of 1995, 1997, 2000 and 2004, (ii) basic documents for 16 projects undertaken in the four sectors over the past decade, (iii) project documents in related sectors such as the public sector reform and poverty reduction support (PRSCs), (iv) economic and sector work, and (v) material prepared by government and other donors such as independent assessments of the public sector reform program, donor evaluations of the sector wide approach in health and the effectiveness of training in the roads sector. Interviews were conducted with representatives of the Government of Ghana, non-governmental organizations, academic institutions, and the World Bank and other donor agencies active in Ghana during a field mission from March 21 – April 2, 2004.¹ A list of documents reviewed and individuals interviewed is found in Annex B.

1.3 The country study follows a framework that examines three dimensions of capacity building in the public sector: (i) institutional capacity, that includes policies, procedures, legislation and the systems of goals and incentives that constitute the “rules of the game;” (ii) organizational capacity, groups of individuals bound together for a specific purpose, with objectives, internal mechanisms and procedures, and resources, and (iii) human capacity, people with the ability to define objectives, design and implement programs, raise resources and deliver services.

¹ The OED team for the field mission consisted of Daniel Ritchie, Abena Oduro, and Catherine Gwin.

2. The Country Context

The General Environment

2.1 Ghana was the first country in colonial Africa to gain its independence in 1957. A long series of coups resulted in the suspension of the constitution in 1981 and the banning of political parties. Multi-party democracy was restored in 1992 and a new Constitution adopted. Three presidential elections have subsequently been carried out peacefully.

2.2 Public sector management in Ghana has generally followed the British model. The civil service is large—about 330,000 in the central government, or about 1.7 percent of total population, more than three times the average of low and middle-income countries in Africa. Civil service pay is low. The central government wage bill is 5.3 percent of GDP, lower than the average of low and middle-income countries despite the size of the public sector.

2.3 Despite poor pay, the civil service has a reputation for honesty and the public service a tradition of service. Ghana's overall performance falls within the second quintile of 77 countries in the World Bank's Country Policy and Institutional Assessment.

- | | |
|---|-----------------|
| • Overall rating | Second quintile |
| • Economic Management | Third quintile |
| • Structural Policies | Second quintile |
| • Policies for social inclusion and equity | Second quintile |
| • Public Sector Management and Institutions | First quintile |
| • Governance | First quintile |

2.4 Since the mid-90s, Ghana has relied on “subvented agencies” to provide basic public services. In the late 1990s, there were about 175 such agencies, including the Ghana Education Service, the Ghana Health Service and the Ghana Roads Authority. Due to declining morale, decreased performance and capacity gaps, the government launched a major public sector reform initiative in the mid-1990's including a public sector management reform program, a civil service performance improvement program, a financial management reform program, a national governance program, and a decentralization program. This report reviews the results of several of these initiatives.

2.5 Ghana's economic reform program began in 1983 with the announcement of an Economic Recovery Program, designed to build a liberal market economy. By 1992, most controls had been abolished and the country ushered in the longest period of multi-party democracy since independence.

2.6 Economic priorities shifted to second-generation reforms and maintenance of macroeconomic stability. These reforms involved institutional and organizational changes to bring about greater efficiency and effectiveness of public services. An

underlying objective of the economic reforms has been for the private sector to take the lead in the economy.

2.7 During 1995-2004, the economy has grown on an average of just above 4 percent per year, among the better performers in the Region, but fueled principally by external assistance rather than domestic private sector. Macro-economic stability was achieved sporadically, with spikes in deficits and inflation rates during election years. Job growth has been limited.

2.8 The structural transformation of the economy has been less successful. Agriculture remains the backbone of the economy. The economy is still vulnerable to developments in the international commodity markets for cocoa, gold and oil. Cocoa and gold still account for more than half of merchandise export earnings.

2.9 The economy is also dependent on donor flows. Donor contributions accounted for 41 percent of total budget receipts in 2001, up from 24 percent in 2000. Disbursement lags can put considerable pressure on the budget and external account.

2.10 There has been some improvement in social welfare during the past decade. The incidence of poverty declined from 52 percent in 1991/92 to 39 percent in 1998/99 but has remained at that level for the past five years. Gross primary school enrollment rates in 2002-03 were 82 percent, up from 75 percent in 1993. Secondary school enrollment was much lower at 37 percent and only 30 percent in the rural areas. The quality of education is still low, according to standardized mathematics and English tests, especially for public schools. Health indicators have been particularly disappointing. Child malnutrition is higher today than a decade ago. Under-five infant mortality is higher than five years ago and maternal mortality has not declined.

2.11 The poor education and health indicators are suggestive of poor service delivery. A public expenditure tracking survey found that only 20 percent of non-wage public health expenditure and 50 percent of public education expenditure reach the intended facilities. A combination of difficulties in retaining staff in the public sector and poor monitoring of complex procedures and processes accentuates the problem.

2.12 The exodus of both skilled and unskilled workers from Ghana is well known. Inadequate salaries in the public sector that have failed to keep up with inflation, the failure of civil service pay reform and the lack of job opportunities in the private sector all contribute to the diaspora. One recent report estimates there are more Ghanaian doctors in the United States and Europe (about 2000) than in Ghana. More nurses left Ghana in 1999 than graduated from nursing schools.

Economic Priorities

2.13 The Government's economic priorities throughout the period have focused on four basic areas: (i) macroeconomic stability, (ii) growth and employment, (iii) poverty alleviation, and (iv) human resource development.

2.14 Strategies for realizing these goals have included (i) reform of the public sector, especially better revenue generation and expenditure management and divestiture, (ii) accelerated private sector development, (iii) improved access to basic education and health services, (iv) decentralization in delivery of essential services, and (v) targeted poverty alleviation and social welfare programs.

2.15 In 2002, these priorities and strategies were consolidated in the Ghana Poverty Reduction Strategy (GPRS), the Ghanaian version of the PRSP. The overarching goal of the GPRS is to “achieve sustainable, equitable growth, accelerated poverty reduction, and the protection of the vulnerable and excluded within a decentralized democratic environment.” The five pillars of the GPRS are (i) macroeconomic stability, (ii) increasing production and employment, (iii) promoting human resource development, (iv) implementing special programs for the vulnerable, and (v) ensuring good governance through accountability and transparency. The good governance pillar is fundamentally about capacity building—strengthening public institutions, organizations and human resources.

Sector Strategies and Capacity Building Efforts

2.16 This OED review examines capacity building experience in four sectors—education, health, roads and public expenditure/public sector reform—and on three dimensions of capacity building—institutional, organizational and human capacity development. There have been major initiatives since the early 1990s to improve the capacity of the public sector and the quality of public services:

- **Organizational change:** Two significant initiatives were undertaken: (i) the creation in the mid-90s of semi-autonomous “subvented” agencies to manage service delivery—the Ghana Health Service, the Ghana Education Service and the Ghana Highway Authority, and (ii) The National Institutional Reform Program (NIRP) to redesign, streamline or privatize up to 50 government agencies.
- **Institutional Development:** The principal initiatives to improve policies, procedures and the “rules of the game” included: (i) the decentralization of government authority to the District level, (ii) introduction of performance-based budgeting, (iii) reform of central government functions including integrated management information systems, (iv) improvement of civil service human resource management policy, (v) a new public service pay and incomes policy, (vi) reform of public procurement, including contracting out of responsibility for some public services such as road construction and maintenance to the private sector
- **Human Resource Development:** The rapid expansion of education and health services and the introduction of new public sector management systems for budgeting, management information, procurement, contract management and other functions required significant investment in human resource capacity. This included professional development for groups such as doctors, nurses, teachers,

managers, and engineers and skills development for more than 100,000 civil servants, especially teachers.

2.17 Each sector developed an explicit reform agenda and related capacity building programs. But, there was no effort to integrate these efforts into an explicit capacity building strategy for the economy as a whole despite the mutual dependency of public sector and sector-level reforms.

2.18 In **roads**, construction and rehabilitation has been the centerpiece of the government's investment budget throughout the decade, even though transport has never been described as a 'pillar' of Ghana's development strategy or identified as part of a strategy for accelerating growth and reducing poverty. The basic goals of the roads sector in the past ten years has been to rebuild and better maintain the primary road network of 14,000 km, the feeder road network of about 24,000 km and the urban network of 2400 km, all of which had fallen into disrepair. In the mid-1990s, only about 45 percent of the primary road network was in 'good condition.' This deteriorated to only about 30 percent in 2003, largely because of the lack of maintenance of the unpaved road network.

2.19 In 1997, the principal means for promoting better management of the roads sector was to create a new organizational structure—the semi-autonomous Ghana Highway Authority (GHA)—and to encourage private sector participation in road construction and maintenance. Also, modernized procurement procedures in the sector formed the basis for a new public procurement law. The Road Fund was made more independent.

2.20 In **health**, the strategic goals of the health system throughout the period have been to: (i) increase access to health services, (ii) improve quality of health services, (iii) enhance efficiency, especially for planning, management and administration, (iv) improve health financing, and (v) foster partnerships outside the health sector.

2.21 The means for achieving these objectives involved significant organizational, institutional and human resource capacity building, including (i) creating the semi-autonomous Ghana Health Service (GHS), (ii) decentralizing service delivery and management functions, and (iii) providing significant professional development and training opportunities for health workers. Expanding access and improving quality required significant expansion of training and professional development. Even then, skilled professionals are in short supply due to a continuous out-migration of skilled professionals. There are said to be more Ghanaian doctors outside the country than in Ghana. Four hundred nurses leave Ghana annually. The total number of health professionals in Ghana has declined by about 25 percent in the past decade—from about 1,000 to 800 doctors and 12,000 to 9,000 nurses.

2.22 The major innovation in the sector was the introduction of a coordinated approach to external funding—the Sector-wide Approach (SWAp). The donor community supported the full program and budget of the Ministry of Health, with annual agreements on the future program of work and review of the previous year's accomplishments. This was the first such effort in Ghana and a significant success. Accomplishments include:

- Improved financial management, reporting and accountability, including greater decentralization to the District level,
- Reported improvements in physical infrastructure,
- Improvements in some health outcomes, and
- Timelier donor financial flows.

2.23 In **education**, the priorities have been similar to health: (1) expand access and make access more equitable; (2) reduce the length of pre-university education; (3) improve pedagogic efficiency and raise the quality and relevance of educational outcomes; (4) contain and partially recover costs; and (5) enhance sector management and budgeting procedures. The 1992 Constitution mandated free universal primary education by 2005, which accentuated the need for more teachers.

2.24 In tertiary education, reforms initiated in the early 1990s aimed at restructuring of the tertiary education system, increasing the contribution of the private sector and income generation to the funding of tertiary education, improving efficiency of resource use, achieving greater balance between the output of tertiary institutions and national development requirements and improved access to tertiary education with an increase in the proportion of women.

2.25 In **public sector and public financial management**, as indicated above, the public service in Ghana is inefficient but relatively honest. A review of public sector performance conducted by the NIRP in 1997 found:

- Lack of staff and skills in critical areas such as policy analysis, macroeconomic analysis, financial analysis, information systems, general management and planning. Lack of key skills that would make it impossible to implement change
- Inadequate match between resources and policies. There was very little prioritization conducted within sectors and amongst the different sectors
- Inadequate incentives: Staff motivation was low because of poor remuneration
- Lack of alignment between deliverables on the one hand and structures and systems on the other
- Poor human resource systems: Managers in the public service were constrained in their ability to determine staff mix—between human resources and other resources in service delivery, appointments and promotion of staff

2.26 The reform agenda as set out in the Public Sector Re-invention and Modernization Strategy for Ghana prepared by NIRP in 1997 had the following elements:

- Re-orient the public service into a performance based organization. Shift in emphasis from monitoring inputs to monitoring outputs and outcomes.
- Rationalize appointments and promotion systems.
- Introduce a uniform salary structure based on tasks performed rather than position
- Introduce output-based processes and systems; for example, performance based budgeting.

2.27 The institutional reform effort was supported by the Bank-financed Public Sector Management Reform Project (PSMRP) with a complimentary effort by Department for International Development (DFID) on civil service reform.

2.28 The second major initiative during the period was the public financial management reform program, known by its acronym—PUFMARP—and supported by a Bank-financed operation called the Public Finance Management Technical Assistance Project (PFMTAP). The program was designed to improve the efficiency, transparency and accountability of the government's financial functions. Eight separate sub-systems were to be developed—budget preparation, budget implementation, accounting, cash management, aid and debt management, revenue management, procurement and auditing. In addition, three crosscutting capacity-building initiatives were to be included in the program:

- A computer-based management information system, known as the Budget and Public Expenditure Management System (BPEMS), to link 79 sites in Accra and provincial towns,
- A human resource development program to train individuals in the new systems,
- A communications strategy to promote the reforms being introduced.

3. World Bank Country Assistance Strategies and Capacity Building Programs

3.1 The World Bank has been a major partner in Ghana's development for 40 years. Throughout the period of this review, Ghana has been the second largest recipient of IDA resources in Africa (after Ethiopia) with the second largest number of projects (after Uganda). Ghana has borrowed \$2.2 billion from the Bank for 41 projects in the past decade.

Bank Strategy

3.2 The Bank's assistance program has closely supported Ghana's development priorities. The focus has been on macroeconomic stability, growth, poverty alleviation and human development, although the emphases have changed over time. The explicit pillars of Bank country assistance strategies (CASs) during the past decade show the evolution of the strategic priorities:

Table 3.1: CAS Objectives 1995-2004

CAS Objective	1995 CAS	1997 CAS	2000 CAS	2004 CAS
Macro stability	•	•		
Poverty	•	•		
Private Sector	•	•		
Capacity Building	•			
Rural Development	•	•		
Human Development		•		•
Growth			•	•
Governance			•	•
Implementation			•	

3.3 Capacity building has been both an explicit and implicit priority for the Bank throughout the period. It was one of the core pillars in the 1995 CAS and reflects the analytical work done by the Bank, UNDP and the Government beginning in 1993 on capacity building and utilization.

3.4 The Bank supported a National Capacity Building Assessment in Ghana, completed in September 1996. It identified eight significant capacity constraints:

- Inadequate human and institutional capacity
- Inefficient utilization of existing national capacity
- A top-heavy, over-extended and inefficient public sector
- The lack of clear policies and mandates to guide government institutions, and the lack of coordination among those institutions
- Weakness in policy analysis and research capacity, as well as translating policy into practice

- Under-performing civil service de-motivated by low pay, inadequate incentives, corruption, and lack of transparency in recruitment and promotion
- Over-reliance on long-term expatriate technical assistance, and
- A lack-luster private sector, ill-equipped to be the driving source behind Ghana's future economic development.

3.5 The Bank's support for capacity building evolved significantly over the period of the review. The 1995 CAS made capacity building an explicit objective of the country program. It was to be carried out through investment projects (PSMRP) for public sector reform (the NIRP program) focused on institutional and organizational changes in the public sector, and through conventional projects in education, health and roads that would focus primarily on human resource development—both professional skills and management development skills in planning, budgeting and project execution.

3.6 The 1997 CAS no longer made capacity building an explicit goal of the program, but continued to recognize that the lack of a well performing public service threatened macroeconomic stability, and that the program of budget and tax reform and rationalization of the public service needed to be accelerated. A technical assistance project supporting the financial management reform effort was approved in May 1996 (PFMTAP Project). Improving the quality and access of basic education and health services were also priorities. The 1997 CAS signaled an intended shift to more non-lending services such as economic and sector work (ESW). At the same time, it proposed a 20 percent increase in lending for the top end of the base case to over \$660 million in three years.

3.7 In 2000, the CAS acknowledged that the macroeconomic situation had deteriorated: the terms of trade had moved strongly against Ghana and its debt burden was becoming unsustainable. Public sector reform was stalled and the education sector was not responding adequately. The CAS proposed new projects for public financial management (that did not materialize) and an education adaptable program loan—a more conventional project emerged four years later. It acknowledged the slow pace of structural reform, such as decentralization of public services, improved procurement, transparency—in short, the range of institutional and organizational reforms that had been the focus of attention throughout the prior CAS period.

3.8 The February 2004 CAS returns public sector capacity building to a central theme of the strategy. 'Governance for Empowerment' and 'Service Provision for Human Development' are two of the three CAS pillars. While the titles differ from earlier CASs, the direction is much the same—improving the quality of public sector activity in education, health, and public sector management. The difference, however, is in the proposed approach. Direct budget support of \$500 million over four years would constitute 50 percent of the lending program. TA Projects for public sector capacity building and for community-level development and empowerment would accompany the PRSCs. No new investment projects are envisaged for education, health or roads in the FY05-07 period. Essentially, the Bank support for capacity building would increasingly shift from direct to indirect support, with a growing emphasis on the policy environment rather than on specific investments or direct funding of training and TA.

3.9 The Bank has used the full array of instruments in the effort to build capacity—lending, advisory and analytical work, technical assistance, institutional development grants, training by the World Bank Institute (WBI) and support from the African Capacity Building Fund (ACBF). But the result is not equal to the sum of its parts because it has not been seen as an integrated, strategically managed effort.

Lending

3.10 IDA has lent about \$1.3 billion total in the four sectors reviewed from 1993-2004 (including adjustment operations and PRSC), slightly more than 50 percent of total lending.²

Table 3.2: IDA Commitment Amount and ICR Outcome Rating (FY93-04)

Project	FY Approval	Commitment (US\$m)	ICR Outcome Rating
<i>Education</i>			
Tertiary Education	1993	45	Satisfactory
Primary School Development	1993	65.1	Unsatisfactory
Vocational Skills	1995	9.6	Unsatisfactory
Basic Education	1996	50	Satisfactory
Functional Literacy	1999	32	--
Education Sector Project	2004	78	--
Total Sector Lending		279.7	
<i>Health</i>			
Health Sector Support	1998	35	Satisfactory
Health Sector Program Support II	2003	89.6	--
Total Sector Lending		124.6	
<i>Roads</i>			
Urban Transport	1993	76.2	Satisfactory
Highway Sector Investment	1996	100	Satisfactory
Road Sector Development	2002	220	--
Total Sector Lending		396.2	
<i>Public Sector/Expenditure Reform</i>			
Public Financial Management TA	1997	20.9	Unsatisfactory
Public Sector Management Reform	1999	14.3	Unsatisfactory
ERSO II	1999	178.2	Unsatisfactory
ERSO III	2002	110	Satisfactory
PRSC	2003	125 (of which grant: \$37)	--
Total Sector Lending		448.4	

Lending for Capacity Building

3.11 The Bank committed about \$1.04 billion of investment lending in the four sectors reviewed of which \$337 million (33 percent) was allocated to capacity building activities. In addition, the Bank provided some \$689 million in adjustment/budget support of which \$296 million (43 percent) supported capacity building measures. Table 4.11 provides a breakdown of capacity building support by projects.

3.12 Analytical work that supported capacity building included one product explicitly devoted to capacity—the 1996 Capacity Assessment—but only a few reports dealing with policy and institutional reforms in specific sectors (see Annex B for full list):

² Although the core timeframe for this review is 1995-2004, a few of projects approved earlier in the 1990s have been included because of their significance in the Bank support in the four sectors reviewed.

- Participation in Education (1995)
- Budgetary Institutions and Expenditure Outcomes (1996)
- Reproductive Health and Health Sector Reform (2000)
- Public Health and Education Spending in Ghana (2001)
- Public Expenditure Tracking (2002)

3.13 In summary, while the Bank has come full circle on the importance of capacity building for development, it has not explicitly articulated a strategy for its capacity building support. In the past decade, there have been a few sector strategies—in transport, health, and recently education involving sector specific capacity building. But the interventions have not been linked to reforms of public sector pay and rewards which are critical to effective implementation of social sector strategies and service delivery.

3.14 The capacity building effort has been piecemeal and not managed as a sequenced, mutually-reinforcing whole. There are broad goals for policy and institutional reforms articulated in the current PRSCs, but not specific measures or indicators to assess the impact of human resources development, organizational effectiveness or institutional reform for improved public services. Capacity building continues to be viewed as a means to other objectives rather than as a goal in itself, with corresponding analytical underpinnings, program design, and monitoring and evaluation.

4. Assessment of Bank Support for Capacity Building: Relevance

Relevance

4.1 **Criteria:** The criteria used to assess the relevance of Bank support include judgments of (i) the alignment of the Bank's sectoral and project goals with national priorities and strategic objectives, (ii) the quality of the diagnosis of commitment, needs, institutional capacity and arrangements, and (iii) the quality of the design of interventions (their clarity, feasibility and likely impact).

4.2 **Overall Assessment:** Overall, the relevance of Bank support to capacity building in the four sectors is moderately satisfactory.

Alignment

4.3 The need to rebuild capacity in the public sector and restore the quality of public services has been recognized for a generation. The decline in the effectiveness of public service has been dramatic. Programs to rationalize organizational mandates and functions and rebuild human capacity in the civil service, ministries and sub-vented agencies have been a priority for the Bank and other donors throughout the 1990s, even though they have largely failed to deliver significant improvements.

4.4 By providing its capacity building effort within a sector-wide approach in roads, health and now in education, Bank support to the sectors was synonymous with national strategic goals in these sectors. Moreover, in both education and health, the Bank helped articulate sector strategies. Consequently, the sectors' goals were the Bank goals, and the sector investment program was the Bank (and other donors) program.

4.5 The Implementation Completion Report (ICR) for the first health project indicated that Bank support helped bring the sector "back from the brink of collapse." There can be few more vivid measures of relevance. The education program was aligned with the national goals of increasing access, improving quality and efficiency. In the event, the first goal—increasing the number of schoolrooms and providing textbooks—proved to be the most enduring. In roads, the restoration of an effective highway system was a central feature of the macroeconomic strategy of promoting agricultural growth and restoring Ghana's role as an efficient route for inland trade.

4.6 In public expenditure reform, the Bank fully supported the national program for public sector reform—the NIRP—and public expenditure reform, both of which were key objectives of the Bank's budget support to transformation of the economy in the second and third Economic Restructuring Support Operations (ERSO) projects.

4.7 The one clear misalignment was for the vocational training program where the Bank-financed project failed to align its goals with national goals primarily because of the absence of an appropriate policy framework.

Diagnosis

4.8 The Bank's diagnosis of capacity needs was seriously deficient in most cases, especially assessment of existing human capacity and the readiness and willingness to change. This reflects the fact that capacity building was not an explicit objective of most operations and consequently was not subject to specific analysis.

4.9 Project preparation typically includes analyses of technical, economic, financial, environmental, institutional and social aspects. Institutional and social assessments are recent innovations and still not obligatory for Bank projects. The other analyses have been required throughout the period under review. Historically, capacity assessments were done for project implementation units but rarely for organizations or sectors as a whole (at least until the introduction of country procurement and financial capacity assessments—the CPARs and CFAAs).

4.10 Four significant shortcomings are evident in the diagnosis of most projects reviewed that limited the impact of their capacity building activities:

- **Lack of needs assessment:** The team found only three of the eleven projects (all recent) had carried out an explicit diagnosis of the current human or organizational capacity of the sector or organizations and had developed remediation plans.
- **Lack of assessment of political economy and commitment to change:** The lack of success in many of operations, particularly for institutional and organizational change, can be linked directly to an over optimism about the level of government commitment.
- **Lack of focus on results:** While the results-based approach to project design is relatively recent in the Bank (although commonplace for a generation with bilateral donors like USAID and Netherlands), the projects reviewed did not have explicit targets and indicators for capacity building.
- **Inappropriate assumptions:** A number of programs were based on assumptions that proved to be incorrect and had not been piloted beforehand, such as the expectation that housing for teachers would reduce absenteeism.

4.11 The Bank diagnosis has generally been strongest in the **roads** sector. The institutional reform strategy was developed with the help of the Bank in the early 1990s and focused on three priorities—(i) involving the private sector more explicitly in road construction and maintenance, (ii) insulating better the highway authority from political interference, and (iii) building the technical and managerial competence of the public sector in modern highway building and maintenance technology.

4.12 Because the Bank had been engaged with the roads sector for 35 years, it had a good understanding of the strengths and weaknesses of the sector and the overall political environment. Bank diagnosis was less successful in assessing the capacity of the private sector to be able to assume more responsibility for road construction and maintenance, and the interest of the contractor organization to undertake training of its members. The diagnosis of the political environment was also deficient. The policy reform agenda was

too ambitious given the levels of political will and commitment. For instance, the Letter of Development Policy negotiated for the Urban Transport Project (and revised for the Roads Sector Project) was not honored. It contained provisions for cost recovery, decentralization of responsibility, and institutional reform, which did not occur.

4.13 In the **health** sector, a sector-wide approach, based on a 1996 Medium Term Health Strategy was adopted, which in turn was based on a diagnosis of sector needs and priorities. Quantitative targets were established for 2001. The targets were based on a highly unrealistic assumption of macroeconomic growth of eight percent per year; double what actually occurred. Consequently, the funding for the sector and most targets were not achieved. There was also no explicit human resource development strategy or human capacity assessment for the health sector although ‘brain drain’ was, and continues to be, the single-most serious issue facing the sector. This proved to be a serious shortcoming.

4.14 In the **education** sector, the goal of the primary school development project was to increase learning achievements and enrolment in primary schools. This was to be achieved through increasing the amount and quality of instructional and learning time in primary schools. Head teachers were identified as critical change agents. They were expected to improve supervision in the schools to reduce teacher absenteeism and monitor the performance of teachers to bring about the expected improvements in learning and teaching outcomes. An assumption made during project design was that the provision of houses to head teachers would create an incentive for them to perform their supervisory functions effectively and reduce teacher absenteeism. It was thought that houses would also create an incentive for motivated teachers to accept placement in deprived communities. But poor diagnoses of the issues based on insufficient consultation with teachers resulted in the failure of this housing incentive (which made up 18.5 percent of project costs) to serve its intended purpose.

4.15 In contrast, good capacity needs assessments were conducted for the Tertiary Education Project. The 1991 Government White Paper on the Reforms to the Tertiary Education Sector provided a framework within which the project could be situated and development objectives derived. The aim of the project as outlined in the Bank’s Staff Appraisal Report was to provide support to the first phase of the Government’s tertiary education project. The objectives of the project were aligned with the Government’s objectives for the sector as presented in the White Paper. Also, the Education Sector Reform Project approved in February 2004 contained an especially good summary diagnostic of the sector’s capacity and included in the project mechanisms to deepen the analysis of the ‘vertical’ relationships among different levels of government and ‘horizontal’ relationships among different education sector structures (such as the Ministry and the GES).

4.16 In **public sector management and public expenditure reform**, the 1993 Public Expenditure Review conducted by the Government of Ghana indicated in some detail the capacity gaps. The NIRP document on re-inventing and modernizing the public sector had also provided some indication as to what capacity gaps existed. This information was used in the design of the Public Sector Management Reform Project (PSMRP). The development of a training strategy and a detailed training program was a part of the

public finance TA project (PFMTAP). The weakness though, was that it was not stated explicitly which agency was responsible for the development of the training strategy. It was probably assumed that this would be the responsibility of NIRP.

4.17 Again, the Bank did not properly assess the government's commitment to reform. Political commitment at the highest level was supposed to have been signaled by the establishment of the National Oversight Committee (NOC) with the Vice-President as Chairperson. Unfortunately, the timing of the start of the PSMRP about eighteen months before the general elections in 2000 meant that high level political NOC personnel did not give the reforms the needed attention. Also, needed but lacking was commitment from lower levels of government, particularly within the agencies where the reforms were to be implemented. According to the Bank's project appraisal document, Ghana officials were involved in the design of PFMTAP. This was not enough to ensure commitment towards implementation of the reforms. The fact that a few officials from the Ministry of Finance took part in the design of the project did not mean that the remaining staff in Ministry of Finance or other pertinent ministries were aware of or supported the project's goals.

Design

4.18 There were several significant accomplishments in the design of capacity building interventions in several projects.

- **The sector-wide approach (SWAp) in health, roads and, recently, in education:** Support for the entire sector investment program was adopted informally in the National Highways Sector Investment Program (1996), formally in the health project (1996 HSSP) and partially in the new education project (2004). The HSSP was said to be the most successful SWAp in the Africa Region at the time. It shifted responsibility from a donor-driven to a client-driven agenda. In this respect, it helped build capacity by entrusting local authorities to manage the program, and monitored outputs rather than inputs.
- **An effective design of human resource capacity development:** The roads and health projects adopted approaches to professional development that have been demonstrably effective. The approach included professional education domestically or abroad followed by an extended on-the-job training program where the new skills were applied to real-life work on roads and in hospitals and clinics. But the impact of these efforts in health sector has been seriously undermined by the absence of a broad human resource management strategy to cope with the sizable loss of trained health care providers.
- **The introduction of semi-autonomous agencies to manage projects and incorporation of project implementation units (PIU) within ministries:** The projects in the education, health and roads sectors all entrusted implementation to 'subvented' agencies that would have greater independence from political interference. PIUs were typically included within a ministry rather than operating as stand alone entities, except in the public sector reform program that was

entrusted to a new secretariat (NIRP) that lacked the authority to deliver the reform program.

4.19 At the same time, there were significant design deficiencies in capacity building in almost every operation:

- **Over-ambitious design:** None of the projects realized their capacity building plans or overall project objectives, and virtually none were finished on time. They were too complex and too optimistic in their expectations and the capacity to implement.
- **Technocratic designs:** The public expenditure management system was not only thoroughly over-designed (with eight components) but also based on a computerized approach to budgeting, financial management and M&E that proved impossible to implement. Training was ineffective and ill-timed. As one government official explained, eventually the system was ready but the people were not. The same is true for the education and roads management information systems (MIS), a major institutional development objective not yet fully realized.
- **Consultant-led:** The public sector and public finance reform programs and the MIS programs in education and roads were all designed to be carried out primarily by consultants. There was very limited oversight by users. Over twenty consultants were used to develop the budget subproject (BPMS) alone. Consultants carried out the diagnosis of the 50 government agencies without much input from the intended beneficiaries of the new systems and structures. Consultants designed the education management information systems (EMIS) with little input from the Ministry or GES staff.
- **Poorly sequenced:** The design of the public finance project in particular was badly planned. Rather than sequencing the eight components they were initiated simultaneously, with predictably poor results.
- **No integration among projects:** The problems of an under-paid and demoralized civil service are principal reasons for poor performance in the education, health and other sectors, but the relationship between the public service reform effort and sector projects was never explicitly incorporated into project designs.

4.20 Moreover, the models of institutional transformation especially for public service reform and aspects of private financial management promoted by the Bank have not always proven effective. The approach to civil service reform in particular was technocratic, consultant-led and based on the assumption that organizational form should follow function, that clear job descriptions will enhance responsibility and accountability, and that the logic of reform can ensure its effective implementation. The human dimension was all too often assumed away. Winners and losers were neither carefully identified, nor prepared or managed.

4.21 In **education**, the design of the primary education project was described in the ICR as overly ambitious and as having suffered from insufficient implementation arrangements. The Ministry and GES did not have the capacity to implement the components. By the time of the mid-term review, the project was 80 percent behind disbursement schedule due largely to difficulties in implementation. The project was therefore scaled down to cover: construction/rehabilitation of schools, textbook supply, and the education MIS.

4.22 The Vocational Skills and Informal Sector Support Project was also ill prepared. The ICR rates quality at entry as unsatisfactory as there was no framework for delivery of vocational and technical education in Ghana and the implementation agency had no capacity to implement the project. Organizational considerations were not adequately taken into account. The oversight of the project was the responsibility of the Ministry of Education whilst project implementation was to be done by the National Council for Technical and Vocational Education (NACVET), an organization under the Ministry of Employment and Social Welfare. NACVET at the time did not have a legal mandate.

4.23 A notable exception is the new Education Sector Development Project (ESDP), which incorporates two important design innovations—the introduction of the education SWAp and an in-depth diagnostic of the sector’s organizational and human capacity needs within the project. The diagnostic will cover both ‘vertical’ (from central to district and local school level) and ‘horizontal’ relationships (between education sector institutions such as the Ministry and GES, and other public sector agencies such as the civil service commission and budget functions of the Ministry of Finance). The project also includes design and implementation of improvements based on the diagnostic.

4.24 The **Health** Sector Support Project (HSSP) approved in 1997 was an innovation. It was one of the first Bank projects in Africa to adopt a sector-wide approach. The Bank supported the government’s Medium Term Health Strategy as one of several collaborative donors. Its interventions became more indirect than direct. The Ghanaian section of the ICR called the Bank action a “bold step” in that it took “a back seat” in implementation. Yet, capacity building objectives have not been clearly defined, benchmarked, and tracked.

4.25 The two **public sector reform** projects funded by the Bank aimed to significantly improve the capacity of the public sector to formulate, plan and implement policies and improve service delivery through improved financial management. These were comprehensive projects that were expected to be implemented within too short a time frame. Given the comprehensiveness of the design of the projects, the sequencing of the activities should have been articulated more clearly. The project implementing unit (NIRP) suffered from capacity weaknesses, as did the unit responsible for implementing the budget sub-component (BPEMS) of the PFMTAP. The project lacked the ownership of the agencies that were supposed to be the “beneficiaries” of the reforms. Commitment initially was strong at the level of central agencies overseeing the economy and the public sector as a whole, but authorities failed to communicate the basic goals and potential benefits of the reforms to others.

4.26 NIRP was not originally set up to be a project implementation unit, but to coordinate all reforms. The arrangement failed for several reasons. NIRP was not part of the civil service and did not have the status to lead the reforms. Personality clashes between the Head of the Civil Service and the head of NIRP created problems. NIRP also suffered from a feature typical of many, if not all donor-funded projects that had created PIUs. Public servants viewed it as external to them, and resented the remuneration of NIRP consultants which was significantly higher than their own.

4.27 The design of the PFMTAP suggested that the different components of reform were to be implemented simultaneously. The Project Appraisal Document was not explicit about the sequencing of the various components. The implementation experience revealed that this was required. During interviews with the PSMRP secretariat, informants suggested that the BPEMS should have been implemented first. The problems associated with the project's budget implementation component affected implementation of other components, i.e. the cash management and the aid and debt management components. The PSMRP and PFMTAP projects were not entirely independent of each other and the slow progress made in public financial management reforms had implications for PSMRP. From a capacity building perspective, it was important to have had a clear strategy on how the different components—institutional change, organizational change and human resource development activities—would be phased in.

4.28 The design of the PFMTAP has been described by the ICR and the independent assessment commissioned by the Government of Ghana as technologically driven. The project did have a technology component. The objective was to migrate from a manual-based system to a computer based one. The Project was designed to bring about changes in systems and procedures. These changes were to be put on a technology platform. Technology was a tool that was supposed to facilitate the development of a timely, relevant and efficient public expenditure system. The perception that the public financial management system reforms were technologically based was because of the problems that emerged during implementation. There was insufficient capacity to deal with the IT elements of the project. As a result, technology elements took precedence with changes in processes and procedures that were to drive the use of the IT taking the back seat.

4.29 Management of the training strategy of the public financial reforms was not clearly articulated. The expectation on the part of the PSMRP secretariat was that NIRP would have developed a comprehensive capacity building program. This did not happen.

4.30 In summary, by supporting capacity building efforts within sector-wide approaches in roads, health and now in education, the goals in the Bank support was synonymous with national strategic goals in those sectors. Yet, the Bank's analytical program has been very modest for such a major borrower, with almost no specific attention to capacity building despite its recognition as a significant constraint in virtually every strategic document. ESW has provided good diagnoses of sector capacity needs but few recommendations for capacity building actions. For example, recent fiduciary reviews on procurement, financial management, and public expenditures have identified capacity gaps but have not been used to develop an explicit capacity building program. Few clients interviewed could recall a specific piece of analytical or advisory work that

was used to design a capacity building initiative. And while the movement to a sector wide approach enhanced the design of Bank interventions in three sectors, generally the models of institutional transformation for public service reform and aspects of financial management promoted by the Bank have not always proven effective.

5. Assessment of Bank Support for Capacity Building: Effectiveness

5.1 **Caveats:** There are a number of obstacles to assessing the effectiveness of capacity building interventions supported by the Bank. First is the problem of attribution. It is often difficult to ascribe impacts to individual Bank interventions when many other partners are supporting complementary initiatives. A second problem is timing. Organizational and institutional change is inherently organic and dynamic. What may flourish while external resources are available may wither once such support ends. Assessing a capacity building intervention at the “completion” of a project is almost by definition the wrong time. The completion of the loan does not mean the completion of the project. A third issue is the assessment methodology, especially in training. The review team has seen no overall evaluation of the effectiveness of training (although the EU has commissioned one for roads). Most assessments of training in any event take place in the glow of immediate completion of a course rather than after a decent interval to see if the skills learned are actually being applied. Finally, there is the question of training whom for what. Experience in Ghana and elsewhere suggests individuals trained by projects where skills are in high demand, like IT, accounting and some engineering quickly migrated to the private sector. Their skills are not lost to the economy but they are to the project. In such circumstance, has training been effective? Moreover, training was often improperly sequenced, taking place well before it could be applied and diminishing significantly its utility, and did not relate to an overall organizational change strategy. The financial management reform effort trained staff in new systems well before those systems were put in place, and much of the benefit was lost.

5.2 **Criteria:** On this basis, the assessment of effectiveness of CB interventions includes the following elements: (i) CB achievements against objectives where specified, (ii) indicators of sector performance during the period, and (iii) usefulness of different Bank instruments where appropriate.

5.3 **Overall Assessment:** The overall effectiveness of the Bank’s capacity building effort in Ghana is *marginally unsatisfactory*. The overall experience in supporting capacity building has been very mixed, from satisfactory to highly unsatisfactory in different sectors and on various dimensions of capacity. This suggests that country conditions *per se* are not the overarching determinant. In fact, there is some good capacity in every sector. The principal dilemma is that the capacity is often underutilized or under-appreciated, and unrewarded.

5.4 The assessment of the effectiveness of the Bank’s support for capacity building is essentially based on two factors: (i) did the interventions achieve what was expected and (ii) did outcomes improve. The following assesses the impact of Bank efforts briefly in the four focus sectors reviewed followed by a more detailed assessment on the three dimensions of capacity building—institutional, organizational and human capacity. Annex C presents the objectives of the Bank’s support in the four sectors by capacity building category and the extent to which those objectives were achieved. The principal results are summarized below.

Assessment of Effectiveness by Sectors

5.5 The Bank can count several significant accomplishments in its support to capacity building as well as some highly visible and publicized failures. Generally speaking it has been more successful in sectors with clear mandates, well-established technical standards and relatively few staff. Roads and health are two such examples. The Bank’s continued presence in the sectors over many years has helped create a relationship of trust and support that has facilitated knowledge transfer. Professional development funded by the Bank in both sectors has been similar—external advanced degree programs followed by intensive on-the-job training on return where the new knowledge is applied in concrete and measurable ways.

5.6 There has been less success in education, traditionally a very conservative and slow-to-change sector in Ghana. Support for the professional development of teachers and managers has not been effective and has not raised sector efficiency or effectiveness.

5.7 The least successful capacity support has been in public sector reform, including the modernization of public expenditure management. Bank experience worldwide suggests that reform in this area is extremely difficult. There has been little success in revenue generation and almost no success in civil service reform. In Ghana, even expenditure management improvement has been unsuccessful so far, after nine years of effort. And public sector reform has failed despite years of effort and \$15 million of IDA funding.

5.8 Table 5.1 presents the Bank and OED project outcome ratings of nine operations: The Africa Region rated the outcomes of 67 percent of the projects as Satisfactory at the time of project “completion” (defined as when the loan account closes, not when a project is actually finished). OED’s assessment was more negative. It found only two of the nine to have fully satisfactory outcomes, or 22 percent.

Table 5.1: Project ICR and OED Outcome Ratings

Project	ICR Rating	OED Rating
Tertiary Education	Satisfactory	Marginally Satisfactory
Basic Education	Satisfactory	Marginally Satisfactory
Primary School Development	Unsatisfactory	Marginally Satisfactory
Vocational Training	Unsatisfactory	Unsatisfactory
Health Sector	Satisfactory	Satisfactory
Highway Sector Improvement	Satisfactory	Satisfactory
Urban Transport	Satisfactory	Marginally Satisfactory
ERSO II	Unsatisfactory	Unsatisfactory
ERSO III	Satisfactory	Marginally Unsatisfactory

5.9 The ratings most closely associated with capacity building are Institutional Development and Sustainability. The more positive ratings are in roads and health, a finding confirmed by this country study (Tables 5.2 and 5.3). These results suggest that

institutional development was ‘modest’ or ‘negligible’ in 75 percent of projects reviewed, but sustainability was rated as ‘likely’ in 69 percent of the operations. This review found the capacity building investments to be generally unsustainable for training and marginally effective on organizational and institutional changes except in roads and some aspects of health. In particular, the institutional reforms in tertiary education have not been sustained.

Table 5.2: Ratings of CB Elements by OED

Project	Institutional Development	Sustainability
Tertiary Education	Substantial	Uncertain
Basic Education	Modest	Likely
Primary School Development	Modest	Uncertain
Vocational Training	Negligible	Unlikely
Health Sector	Substantial	Likely
Highway Sector Improvement	Substantial	Likely
Urban Transport	Modest	Likely
ERSO II	Negligible	Unlikely
ERSO III	Modest	Likely

Table 5.3: ICR Ratings for Projects Closed But Not Yet Reviewed by OED

Project	Institutional Development	Sustainability
Health Sector Support	Substantial	Likely
Public Sector Management Reform	Modest	Unlikely
Public Financial Management TA	Modest	Likely

Assessment of Effectiveness by Dimensions of Capacity

5.10 The Bank’s impact on institutional development has been very modest overall. There have been some accomplishments in some areas: (a) procurement reform (although a Procurement Board to implement the new law has yet to be established), (b) performance-based financial management systems, and (c) contracting out to the private sector and decentralization of some functions like health service financial management.

5.11 There has been limited success in organizational change. Civil service reform has failed—a revised public sector human resource management system is on hold in Parliament and salary reform has not proceeded. Creation of semi-autonomous agencies—GHS, GES and GHA—has not yet yielded the expected results. There is still no agreement with the sector Ministries on the division of responsibilities.

5.12 Human resource development has generally been modest, though difficult to judge, as the OED team was able to find no evaluations of completed training programs. Most interviews, however, indicated that staff turnover was frequent and widespread, so that skills acquired in one assignment were rarely needed on the next job.

Institutional Development

5.13 The major goals of the Bank’s support to capacity building for institutional development were policy development and improved processes and procedures for increasing the efficiency and effectiveness of the public sector. Specifically, for the period under review, the principal goals were to help improve: (i) civil service human resource and pay policies, (ii) financial management, including public procurement, (iii) information systems, and (iv) service delivery systems and approaches, including decentralization of responsibility (Table 5.4). The results have been disappointing. Only four of thirteen major initiatives have been fully realized. Of the successful interventions, only the procurement law represented a significant policy accomplishment.

Table 5.4: Institutional Capacity Building Objective and Achievements

Sector	ID Objective	Achievement
Public Sector Reform	New civil service HR system	Not done
Public Sector Reform	Public service pay/income policy	Not done
Public Sector Reform	New procurement law	Done
Public Expenditure Reform	Computerized budget management	Partial
Public Expenditure Reform	Improved financial management, auditing, M&E, debt management	Partial
Education	Creation of EMIS	Partial
Tertiary Education	Accreditation and examination boards created	Created but not operational
Health	Strengthen support and management systems	Done
Health	Improve policy development—SWAp	Done
Roads	Creation of MIS system	Done
Roads	Policy Development	Partial

5.14 Interviews with government authorities confirmed that the institutional development effectiveness of the Bank’s interventions were mixed, with somewhat stronger results in roads and health and less success in education and almost no success as yet in public sector or public financial management. Participants in the highways and health projects were complimentary about the efforts to support capacity building. In public financial reform, the comments were scathing. One senior manager of the BPEMS project said “we have spent \$30 million and eight years and still can’t produce basic budget reports.” The head of the Civil Service said the broader public finance renewal program—the PUFMARP—had “run aground.” The head of an independent study for the Government on the public sector reform effort indicated the program had generated a “culture of reform fatigue and disbelief.” The fragmentation of the capacity building effort contributed materially to its ineffectiveness.

Organizational Change

5.15 The principal objectives and achievements for organizational change are summarized in Table 5.5. The most notable organizational accomplishment during the

period was the creation of autonomous agencies for managing education, health and roads—the GES, GHS and GHA. However, in terms of capacity all three continue to lack a clear mandate that differentiates them from their sector Ministry, although this does not appear to be a serious issue in roads. In education and health, there is still no agreement six or seven years after formal creation of the ‘subvented’ agencies.

Table 5.5: Organizational Capacity Building Objectives and Achievements

Sector	Objectives	Achievements
Education	Improve planning and policy function	Done
Health	Create GHS	Done, but mandate not well defined
Roads	Create GHA, and Department of Urban Roads and Department of Feeder Roads	Done
Roads	Restructure agencies in transport sector	Done
Public Sector Management	Re-align CMAs functions and structures	Not done

5.16 The other principal accomplishment of the period has been the establishment of two reasonably effective and efficient organizations within the civil service structure—the Department of Urban Roads and the Department of Feeder Roads, both of which are thought to be more effective than the GHA. Both are small and appear to be well managed, motivated and efficient. Unlike other public agencies, staff tends to come and stay. The training programs are effective. Although the staff are civil servants and consequently receive the same level of pay and rewards as other agencies, they appear to have found ways to achieve job satisfaction (and often have second jobs like most public servants). But they demonstrate that it is possible to build oases of good capacity even when the overall environment is dysfunctional. The key appears to be steady leadership, a well-defined mandate, clear measures of performance and psychic as well as tangible rewards.

5.17 Interviews with project staff in Ghana confirmed that the organizational change process had both positive and reasonably negative experiences, but on balance outcomes were reasonably satisfactory. Even then, the senior managers in health and education expressed dismay that the relationship of the GHS and GES to their ministries was still not formalized and that processes of accountability and responsibility had not replaced the previous oversight by the Bank in investment projects under the SWAp arrangement.

Human Resource Development

5.18 Arguably the most important aspect of capacity building is also the most difficult to assess—building human capacity. (Good people can overcome mediocre policies and poor organizational arrangements, but it is hard to make good policies and good organizational structures work with mediocre people).

Training:

5.19 Every project in the Ghana portfolio devoted resources for training and professional development. Large numbers of staff were trained, including 20,000 head teachers, 80,000 teachers, 3000 health workers and 150 in urban roads. Many more were trained for the new financial management systems, as noted in Box 5.1 below.

Box 5.1: Training for BPEMS

Two types of training were provided. The first was training in modified manual processes and the second was training in computer processes.

2000 trained in new financial management systems.

250 trained in Oracle Financials.

800 trained in basic information technology

20 trained in computer hardware

20 trained in local area networks and wide area networks.

5.20 No project had tracer studies to measure the impact of training. Virtually every implementing agency said that training was not effective because of the high turnover of staff. The principal human resource objectives and impact are summarized below and detailed in Annex C (Table 5.6).

Table 5.6: Human Resource Capacity Building Objectives and Achievements

Sector	Objective	Achievement
Education	Training of 100,000 staff	Done. Not measured
Tertiary Education	Training in management	Some training. Not measured
Education	Train teachers and school heads	Done. Not measured
Health	Training of medical professionals	Brain drain accelerated
Roads	Professional development, on-the-job application	Done; appears effective
Roads	Build indigenous capacity	Done
Public Sector Reform	Construct and operate a development learning center	Done
Public Expenditure Reform	Training in new systems	Inappropriate timing; skills lost as system not yet operational.

5.21 The projects almost always invariably achieved targets in terms of numbers that were to be trained. However the main test is whether the new skills that were acquired translated into improved service delivery and outcomes. In the Primary School Development Project, the ICR states that even though the target number of head teachers was trained, this training cannot be linked to an appreciable reduction in the incidence of absenteeism which was an objective of the project. The report states that “the results of investments in the training of school personnel were unsatisfactory because teachers,

head teachers, and supervisors are not putting the training to use ... old practices remain the norm.” Under the Basic Education Sector Investment Program (BESIP), training has been undertaken with respect to EMIS. But despite the success in extending the EMIS to regional education offices and some districts, there is still a problem with the consistency of data generated by EMIS for planning and policy purposes. Running through all projects with respect to capacity building is the inability to retain staff that has been trained. In addition, improved learning and teaching outcomes at all levels of education will not be achieved if complementary inputs required for assuring the quality of education are not also available.

5.22 The greatest deficiencies were in management training. One Ministry official expressed the view that there were serious gaps in training staff for management responsibilities. There was an absence of strategic thinking and implementation skills. The highways managers expressed a similar view—there was no lack of engineers but a serious deficiency in management, especially mid-level managers.

Technical Assistance

5.23 Some of the most serious deficiencies occurred in the provision of technical assistance. While it has not been possible to separate out the TA aspects of all projects from the training and equipment components, there were three very visible programs that relied on external and internal consultants to carry out the diagnostic, design and implementation functions:

- BPEMS—Budget and Public Expenditure Management System
- NIRP—National Institutional Reform Program and
- EMIS—The Education Management Information System

5.24 Together these programs absorbed an estimated \$45 million and seven to eight years of effort and have still not yielded the expected results. The BPEMS program employed at least 40 international consultants from global information technology and management firms to introduce the financial system. The principal consultants left Ghana twice and were said by several Ghanaians to have “blackmailed” the government to return. The budget system is being rolled out in selective ministries and the EMIS is making progress, but only three of seven modules have been tested. The NIRP program is finished, having privatized, merged or wound up about a half-dozen organizations, but reengineering plans for 48 other agencies have been prepared but are on the shelf. The EMIS consultants have still not produced an effective MIS that generates the management reports needed by the sector.

5.25 The offices of the Auditor General, Civil Service, GES and the Ministry of Finance and Economic Development, and the independent report to government shared a common assessment. The projects were all:

- Consultant-led
- Technology-focused
- Donor-driven

- Lacking in political commitment
- Lacking in beneficiary engagement

5.26 There was essentially no quality control over the consultants, inappropriate training at the wrong time and a lack of understanding of the reality on the ground. One interview indicated that the design of these programs actually created a capacity gap, because the technology was too sophisticated for the situation.

5.27 Moreover, in part because of its consultant- and donor-driven nature, the public sector reform effort including the DFID-funded civil service reform program failed ultimately to deliver a revised pay and rewards system or a career development system, with significant consequences for the development effort as a whole. And the PUFMARP program, of which BPEMS was the flagship, failed to implement the reform agenda in part because it could not overcome resistance from agencies that needed to be committed to the reform agenda but was not.

Overall impact

5.28 The second measure of effectiveness of capacity building is the ultimate impact of the interventions. In this regard, outputs and results have generally been disappointing. The road network continues to deteriorate, health outcomes have stagnated, enrollment and repetition rates in primary school are inferior to the regional average and the major public sector reforms have not yet been realized.

5.29 Some representative indicators in roads are noted below. The major cause for the deterioration in the overall quality has been lack of money. Inadequate budgeting has resulted in very little rehabilitation and maintenance of the gravel road that constitute 60 percent of the trunk network. While paved roads in good condition have increased, the overall impact has been negative.

Table 5.7: Roads Indicators (1996-2004)

Indicator	1996	2001	2004
Roads in Good Condition	45%	29%	--

5.30 Health outcomes have been disappointing as well.

Table 5.8: Health Indicators (1993-2003)

Indicator	1993	1998	2003
Infant mortality rate	66	57	64
Under five mortality rate	119	108	111
Child malnutrition rate (under-weight)	27	25	36
Maternal mortality rate	214	214	N/A
Immunization coverage DPT3	43	62	69

5.31 Education outcomes improved significantly in the early years, but enrollment rates, especially for girls, and repetition and retention rates have been disappointing. And tertiary education rates remain among the lowest in Africa (at about 2 percent of age group).

Table 5.9: Education Indicators (1993-2003)

Indicator	1993	1999	2003
Primary Enrollment Rate (%)	75	82	--
Male	74	86	--
Female	75	78	--
Secondary Enrollment Rate (%)	37	37	--
Male	44	41	--
Female	30	33	--
Tertiary Enrollment Rate (%)	1	3	--
Male	2	4	--
Female	1	1	--
Primary Repetition Rate (%)	--	4	--
Primary Completion Rate (%)	--	64	--

Source: <http://sima.worldbank.org/edstats/query/SMResult.asp>

5.32 In sum, there has generally been somewhat greater success in organizational development than in institutional change or human resource development. The sector-wide approach, where the Bank plays a supporting role rather than driving the agenda, appears to be more promising for capacity building than investment lending. While this has made traditional support to capacity building at the technical level more difficult, the tradeoffs in terms of ownership and attention to the institutional framework appear to be positive.

6. Assessment of Bank Support for Capacity Building: Delivery of Support

6.1 **Criteria.** The delivery of support for capacity building is measured in two ways: (i) the quality of collaboration among external partners (as a measure of the efficiency of donor support to the sector), and (ii) commitments for capacity building components at appraisal (an indicator of attention to CB).

Donor Collaboration

6.2 One way to assess delivery of support is the extent to which the Bank and other donors collaborate to ensure the most efficient use of a borrower's effort in reporting, monitoring and evaluation and supervision. In this respect the Bank's experience in the health sector with one of the first SWAs in Africa is the benchmark and was described in the ICR for the Health Sector Support Project as the best example of a sector-wide approach in Africa.

6.3 Interventions in capacity building for public sector reform experienced different levels of collaboration. The different donors appear to have taken different components of the public sector reform agenda. For example under the PFM project, the World Bank provided minimum support to the Audit and the budget preparation components. The EU and DFID took these up. The PSMRP of the Bank focused on the central management agencies and subvented agencies while the DFID-financed Civil Service performance Improvement Programme (CSPIP) concentrated on civil service reforms. The two reform projects overlapped in the civil service component. The rivalry that existed between NIRP and Civil Service Commission did not create the best conditions for coordination. Both projects were focused on restructuring even though the methods used were different. The CSPIP resulted in the production of Performance Implementation Plans whilst NIRP produced Restructuring/Re-engineering plans. This overlap in the focus of different projects added to transactions costs and where there were differences in perspectives could have undermined the likelihood of an action being taken.

6.4 Neither the Government nor its development partners have effectively coordinated training. This results in gaps being created. The Head of the Civil Service observed that lower level staff tended to be left out of training programs. Some informants noted that there was a mismatch between the training that was provided and the requirements of the organization. It was also observed that the Bank and other development partners tend to ensure that training is provided to meet procurement and financial regulations as it related to project implementation. In the PFMTAP, there was no coordination amongst the donors on procurement and reporting procedures for example. This increased transactions costs for the implementing units. It was reported that the Bank procedures in the context of multiple consultants, were the most complex and time consuming.

6.5 In the Tertiary Education Project, donor collaboration was problematic. Technical assistance and inputs arrived before a building needed to house them (funded by the African Development Bank) was ready.

Commitments for Capacity Building Components

6.6 Another way to measure delivery of support is to estimate the cost of capacity building components (equipment, training, technical assistance as well as activities that directly strengthen public sector capacity) in individual investment and adjustment loans. The following table presents the break-up of capacity building costs against the total commitment amounts for the project.³

³ For investment loans, capacity building support was estimated by summing the costs of activities—such as TA, training, consultancies, studies, and equipment and materials—designed to strengthen government functions (not including costs for direct frontline service delivery, such as the construction of schools and clinics). For adjustment operations, the estimate was based on calculating the number of conditions or actions directed to achieving specified capacity building objectives as a percent of the total number of actions.

Table 6.1: Commitments for Capacity Building Components (US\$ million)

Year	Project	Investment Loans		Adjustment Loans	
		Total Commitment	CB- Appraised Cost (% commitment)	Total Commitment	CB- Appraised Cost (% commitment)
ROADS					
1991	Transport Rehab. II	82	7.3 (9%)		
1992	National Feeder Roads	55	3.2 (6%)		
1993	Urban Transport	76.2	11.9 (16%)		
1996	Highway Sector Investment Program	100	19.8 (20%)		
2002	Road Sector Development Program	220	50 (23%)		
EDUCATION					
1990	Education SAC II			50	10 (20%)
1991	Secondary Schools	14.7	0 (0%)		
1992	Adult Literacy	17.4	6.7 (39%)		
1993	Tertiary Education	45	40 (89%)		
1993	Primary School Dev.	65.1	3.9 (6%)		
1996	Basic Education Sector Improvement	50	6 (12%)		
1999	National Functional Literacy Program	32	6.4 (20%)		
2004	Education Sector Project	78	30.5 (39%)		
HEALTH					
	Health & population II	27	7.2 (27%)		
Public Sector/Public Expenditure Management					
1991	Economic Management Support	15	15 (100%)		
1994	Local Government Dev.	38.5	9.24 (24%)		
1997	Public Financial Management TAP	20.9	20.9 (100%)		
1999	Public Sector Management Program	14.3	14.3 (100%)		
2001	Public Sector Reform and Capacity Building	85	85 (100%)		
Macroeconomic Support					
1998	ERSO I			50	24 (48%)
1999	ERSO II			229	103.5 (45%)
2002	ERSO III			110	37.4 (34%)
2003	PRSC I			125	62.5 (50%)
2004	PRSC II			125	97.5 (78%)
	TOTAL BANK PROGRAM (FY90-04)	1036.1	337.34 (33%)	689	296.27 (43%)

7. Bank and Borrower Performance

7.1 The performance of the Bank is marginally satisfactory and that of the Borrower in support to capacity building as marginally unsatisfactory.

7.2 The table below indicates OED ratings of Bank and Borrower performance for the implementation of projects as a whole, not for capacity building per se. Although capacity building was not an explicit objective of these projects, capacity building activities represented about a third of total commitments.

Table 7.1: OED Evaluation of Bank and Borrower Performance

Project	Bank Performance	Borrower Performance
Tertiary Education	Satisfactory	Satisfactory
Basic Education	Satisfactory	Satisfactory
Primary School Development	Unsatisfactory	Unsatisfactory
Vocational Education	Unsatisfactory	Unsatisfactory
Health Sector	Satisfactory	Satisfactory
Highway Sector	Satisfactory	Satisfactory
Urban Transport	Satisfactory	Satisfactory
ERSO II	Unsatisfactory	Unsatisfactory
ERSO III	Satisfactory	Unsatisfactory

7.3 Discussions with representatives of government, donor agencies and Bank staff confirm a generally positive attitude toward the performance of the two partners. Perhaps most important for the overall assessment is the Bank's participation in the development of sector-wide programs and in moving toward budget support. Yet, despite their endorsement of the nature of change in the Bank's support to sectors, government authorities expressed concern that the change marks the end of the Bank's most valuable traditional capacity building contribution—access to world-class technical advice and experience. For example, for most of its engagement in the roads sector, the Bank has provided strong technical advice (including assistance in contracting out), both through its support for technical assistance and in its project supervision with seasoned staff. With the move from individual investment projects to a more sector wide approach and a pending further move to budget support, clients wonder if the Bank's traditional value-added will disappear altogether—practical, real-world advice.

7.4 More generally, judged against results, neither the Bank nor the Borrower's performance have been fully satisfactory. The deficiencies in the initial diagnoses and design of interventions, inattention to the impact of training, the largely ineffective oversight of the hundreds of consultants in the public sector reform, and weak progress on financial systems development and MIS justifies a rating of marginally satisfactory.

7.5 A senior government official involved with the Bank throughout this period said that he could not cite any example where the Bank had helped build capacity. He said the Bank staff failed to understand the political economy, failed to communicate effectively,

and provided diminishing technical and analytical competence. He said he was increasingly disappointed with the quality of Bank work in capacity building and elsewhere. He did not exonerate his own colleagues from responsibility, but in the final analysis he wondered what Ghana has bought for the \$45-50 million spent on public sector and public finance reform.

8. Summary of Findings

8.1 The experience in Ghana shows that it is possible to build durable capacity in Africa. On the whole, the experience in the roads sector in Ghana has shown that good institutional, organizational and human capacity can be created and sustained with the support of the World Bank and its partners. But, some government authorities interviewed said that the Bank's approach has accentuated a "capacity gap" and an "accountability gap." In the view of this report, there is much that needs to be done to improve the effectiveness of the Bank's capacity building support.

8.2 Several general conclusions emerge from the review.

- **Capacity building needs to be treated as a goal, not just a means, and analyzed, managed, and evaluated as such.** The disappointing results on capacity building in Ghana is, in part, a consequence of the failure of the government and the Bank to treat it as a strategic objective, with appropriate diagnosis, specification of expected results, implementation support and evaluation. The efforts in individual projects did not build on the essential interrelationships among them. Potential synergies and mutually reinforcing activities were never harmonized.
- **Effective capacity building shares the same characteristics as good projects.** It requires strong ownership, clarity of objective, quality of design, capacity to implement and readiness.
- **Capacity building is a never-ending process and cannot be easily "projectized."**
- **A focus on incentives and processes to promote development is not enough.** Capacity building requires a better understanding of the behavioral foundations that promote or inhibit change—attitudes, beliefs, relationships and other aspects that create culture.
- **Improving Bank support for capacity building needs to begin at home.** There is a significant deficiency in skilled professionals within the Bank who understand change, have worked in public sector agencies of financial management, who understand how training and education can be made sustainable.

8.3 The following points set out more specific findings on effective program design and choice of instruments.

- **Ghana does not lack talented people.** There are well-trained, motivated individuals in every sector and capable staff in the central, district, and local levels. The critical problem is the 'system' that causes talented people to leave the country or perform below their capability.

- **The critical success factors are continuous engagement with a client in those sectors and functions with a clear and focused mandate, appropriate strategy and proven technology.** The roads sector has a clear technical responsibility, established norms and procedures, effective arrangements for road construction and maintenance (almost all in the private sector). The Ghana Highway Authority has 3000 staff. The well-regarded Department of Urban Roads has a young staff of only about 800 most of whom are physically decentralized. The health sector during the review period developed a vision for service delivery and effectively built the human capacity, policies and procedures to shift service delivery to the district level. It pioneered the SWAp approach. The Ghana Health Service has 25,000 employees.
- **The less successful interventions have been where commitment was lacking, the agendas were large and diffuse and the size of the affected agency was significant.** “Government commitment” can be a very misleading concept. A central agency responsible for implementing a public service-wide program may be committed, but has failed to build ownership and commitment in the agencies responsible for implementation. This was clearly the case in the civil service and financial management reform programs. Large organizations can also be harder to move. For example, the education sector has been less successful in building human capacity and expanding coverage. The GES has about 240,000 staff.
- **It is possible to create oases of effectiveness in a sea of inefficiency.** Organizations like the Department of Urban Roads (DUR) can be highly effective even in an inauspicious environment. The key factors are leadership, an environment of integrity, recruitment and retention of young (and idealistic) staff and rewards that are as much psychic as financial. It also helps to be small. The DUR has 800 employees, compared to 3000 in the GHA, 240,000 in education and 800,000 in the civil service as a whole.
- **The critical deficiencies are institutional, and some of the major problems are beyond the direct control of sector institutions to resolve.** They include poor pay and conditions of service for public servants, reluctance to decentralize authority and decision-making to District and local levels, and chronic under-funding. The inability to deal with the inadequate public service pay and rewards is the single-most important failure of the past decade and remains the single-largest challenge to capacity building today.
- **It takes capacity to build capacity.** The principal shortcoming of several Bank operations was the failure to assess properly the existing capacity to carry out reforms and design the interventions accordingly. Many projects were too ambitious for the existing capacity and actually created a ‘capacity gap.’ The tendency to try to do too much, results in inevitable implementation frustration and perceptions of ‘failure,’ even when real achievements are realized.

- **Training can be effective. A combination of formal education and on-the-job training can be particularly effective in capacity building.** In roads, the Bank has funded advanced degree programs for engineers who are assigned to road building or rehabilitation works for a year after completing their studies. This combination of coursework and on-the-job practical training appears to have been particularly effective.
- **A sector-wide approach may be more effective than traditional investment lending in helping to build capacity at the institutional level.** The focus of SWAps is primarily at the policy and program level. Multiple donors addressing systemic issues together with the sector management can facilitate consideration of policy changes and institutional reforms in a more collaborative fashion than is typically possible through an individual investment project by a single donor involving some form of conditionality.
- **But, 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 Bank 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. This suggests the need for accompanying TA projects or other mechanisms to ensure continued involvement at the operational level.

Annex A: List of Interviews

Interviewees	Organization
<i>Health</i>	
Evelyn Awittor	World Bank
Dr. Ken Sagoe	Ghana Health Service
Dr. Frank Nyonator	The Community Health Based Planning (CHPS)
Dr. Sam Adjei	Ghana Health Service
Dr. Addae	Ministry of Health
<i>Education</i>	
E. Acquaye	Ministry of Education
Ben Cronze	Ghana Education Service
Paul Effah	National Council for Tertiary Education
Professor Ameyaw Ekumfi	Minister for Ports, Harbours, and Railways
K. Baah-Wiredu	Minister of Education
Rebecca Amu-Aboagye	Ministry of Education
H.D. Clarke	Finance and Administration
Rev. Ama Afo Blay	Ghana Education Service
Eunice Dapaah	World Bank
Florence Daaku	BESIP
<i>Roads</i>	
Martin Mensah	Department of Feeder Roads
E.N.K. Ashong	Department of Feeder Roads
Phillip Lartey	Department of Urban Roads
Tawiah Addo Ashong	World Bank
E. Kwakye	Ministry of Roads and Transport
<i>Public Sector Reform/Expenditure</i>	
Agatha Gaisie-Nketsia	PUFMARP Coordinator
John Prempeh	Controller & Accountant General
Dr. Appiah-Koranteng	Former Head of NIRP
Frank Ocran	
Dr. Tony Osei	Deputy Minister of Finance & Economic Planning
Robert Adu-Mante	Office of the Senior Minister
Dr. Alex Glover Quartey	Head, Civil Service
Ruka Sanusi	Price Waterhouse
John Kufuor	Price Waterhouse
Paul Ofori Agyiri	Minister of Finance and Economic Planning
Smile Kwawukume	World Bank
Kofi Ocran	Ministry of Finance and Economic Planning
M. Ayensu	Ministry of Finance and Economic Planning
J. Quarshie	Ministry of Finance and Economic Planning
Dr. Stephen Addei	GIMPA

Interviewees	Organization
<i>Donors</i>	
Helen Dzikunu	DANIDA
Dr. Elke Nicolai	GTZ
Jan C.M. van der Horst	Royal Netherlands Embassy
Lisa Franchette	USAID
Hans Maennchen	GTZ
Elspeth Tarp	Royal Danish Embassy
Denise Hill	DFID
Sandra Baldwin	DFID
Amanda Duff	DFID
Soren Husted	EU
Wim Olthoff	EU
Daniel Boakye	World Bank
Carlos Cavalcanti	World Bank
Mats Karlson	World Bank

Annex B: Documents and Projects Reviewed

A. Projects

Sectors			
Roads	Education	Health	PFM/PSM
Urban Transport (1993)	Tertiary Education (1993)	Health Sector Support (1998)	Public Financial Management TA Project (1997)
Highway Sector Investment Program (1996)	Primary School Development (1993)	Health Sector Program Support Project II (2003)	Public Sector Management Program (1999)
Road Sector Development Program (2002)	Vocational Skills & Informational Sector Program (1995)		Economic Recovery Support Operation II (1999)
	Basic Education Sector Improvement (1996)		Economic Recovery Support Operation III (2002)
	National Functional Literacy Program (1999)		PRSC I (2003)
	Education Sector Project (2004)		

B. Country Assistance Strategy, Poverty Reduction Strategy Papers and Analytical Reports

Country Assistance Strategy (CAS)	Poverty Reduction Strategy Papers (PRSP)	Analytical & Other Reports
1995 CAS	Development Strategy for Poverty Reduction Vol. 1 (2000)	The problems facing labor-based road programs (1996)
1998 CAS	Interim PRSP & Assessment Vol. 1 (2001)	Reivew of Transport Projects in Ghana (OED), (1999)
2000 CAS	PRSP Preparation Status Report and Joint Assessment (2002)	Assessments of Road Funds (2000)
2004 CAS	PRSP & Joint Assessment Vol. 1 (2003)	Staff Loss and Retention at Selected African Universities (1994)
		Participation in Education (1995)
		Tertiary Education Policy (1999)
		Adult Literacy and Earnings in Ghana (2000)
		Public Health & Education Spending in Ghana (2001)
		Children's Health and Achievements in School (1994)
		Reproductive Health and Health Sector Reform (2000)
		HIV/AIDS and African Universities (2001)
		Financial Sector Review (1994)
		Country Economic Memorandum (1995)
		Budgetary Institutions and Expenditure Outcome (1996)
		Country Financial Accountability Assessment (2001)
		Draft CPPR (2002)
		Public Expenditure Tracking (2002)
		Salary Review of Public and Private Sectors in Ghana (2003)
		Country Procurement Assessment Report (2003)
		Country Financial Accountability Assessment (2004)
		Country Economic Memorandum (2004)
		Country Policies for Poverty Reduction (1993)
		Ghana 2000 and Beyond: Setting the Stage for Growth (1993)
		OED Review of Transport Projects in Ghana
		National Capacity Building Assessment (1996)
		Strategy Note on Options for Supporting Sustainable Development of Education (PWC)
		Public Sector Reform Review
		Poverty Past, Present, and Future (1995)

Annex C: Summary of Capacity Building Objectives and Achievements

Project	Capacity Building Category	Capacity Building Objective	Results from ICR, OED ICR Review, OED Team
ROADS			
Urban Transport	Institution, Organization	Improve the capabilities and strengthen institutions of central and local government agencies in policy development (decentralization)	A comprehensive policy framework for urban transport was prepared but not implemented. No effective reform of Department of Urban Roads to focus its role on policy development / coordination, planning, oversight of standards and quality control. Aspects of coordination and planning, initially addressed through Urban Transport Unit and the Urban Transport Planning Commission were not accomplished.
	Human Development	Implement a training program intended to build in-country expertise within the MOTC, DUR, MLGRD, and TCP	The training program was successful. A total of 87 staff was trained compared to 50 projected at appraisal. The DUR component trained 68 staff chosen from all profiles available in department with 70 percent of its allocated training budget. The remaining 30 percent was reallocated to the road component. The MRT component trained some 14 staff, most of them for long-term degree programs.
Highway Sector Investment Program	Institution	Develop and implement policies such as cost recovery (Road Fund), private sector financing, increased environmental sensitivity, axle load control and road safety	Cost recovery did take place but was unsuccessful. Revision of the petroleum levy took place. As for the private sector financing, no progress was made over the program period. On the road safety law, Act 567 established a National Road Safety Commission with a 3-year program proposed to improve road safety. A Chief Executive was appointed and a 5-year Road Safety Strategy was prepared. Environmental and social mitigation measures were included in all development projects. Key inputs from the program did not yield expected results.
	Organization	Restructure agencies in the transport sector by merging MRH with the Transport Unit of Roads and Transport	The restructuring of the agencies and establishment of the MRT provided better formulation and implementation of integrated transport policies and planning; and a greater emphasis on transport and transport related services. The Ghana Highway Authority decree was amended and re-enacted by Parliament. The new Act 540 gave GHA full mandate to discharge its responsibilities in a more effective manner; however, no major changes have been seen in management of the organization. Implemented the Management Information System, upgraded and updated the Maintenance Management System.
	Human Development	Build indigenous capacity in public and private sectors—train GHA staff at local institutes; through regional study tours; and at overseas or local seminars, conferences and short courses	Training programs took place. About a 1,000 employees in GHA attended seminars, conferences, workshops, short courses, study tours, and higher level training organized locally and outside the country. Program also supported and completed a training center. The training programs for MRH, GHA, and local contractors have all had positive impact on the program over the years.

Project	Capacity Building Category	Objective	Results from ICR, OED ICR Review, OED Team
HEALTH			
Health Sector Support (SWAp) ⁴	Human Development	Develop a program to train new health teams	The Government increased the number of health providers and developed training programs for health workers in clinical, public health, and management skills as well as in hospital administration. The increase in training facilities and their output led to only small increases in personnel in the public sector. Human resource problems and brain drain are issues.
	Institution	Improve capacity for policy development and analysis, resource allocation, performance monitoring and evaluation, and regulation of service delivery	Launched and established common financing and implementation arrangements. Sector-wide policies were developed. The new policy, a Medium-term Health Strategy included a package of priority interventions and a framework for implementation. Policy reforms such as the separation of provision of services from the purchasing and policy function were implemented. Decentralization of decision-making took place to regional and district management teams. A participative process of sector review and planning has been institutionalized.
	Institution	Strengthen national support systems for human resources, logistics and supplies, financial management, and health information	Management was improved. Establishing the Budget and Management centers improved decentralization. BMC capacity increased. Indicators were developed. Procurement capacity was strengthened.
EDUCATION			
Primary School Development Program	Human Development	Train primary school head teachers to improve upon their supervisory roles	The training was completed and manuals produced. However the objective of training was not achieved, i.e. to reduce teacher absenteeism. Teacher's performance has been negligible despite training.
	Organization	Strengthen Ministry's capacity to monitor, implement, and plan school construction	The ministry's capacity has increased. But agenda of the ministries such as school mapping was never carried out. Although orientation took place, there are mixed results. The community was not actively involved in the selection of head teachers.
Basic Education Sector Improvement	Institution	Develop the Education Management Information System	A system that generates reports is in place. However: <ul style="list-style-type: none"> • It has not been able to meet requirements of various divisions/units to support their functions. • Some training has taken place but the districts don't have the full complement of staff. • The data/information not provided on time due to delays in data collection and processing. • EMIS staff is not able to develop the application independently and is still dependent on TA.
	Human Development	Train teachers	4288 teachers trained 1996 and 21253 in 1999.

⁴ The Bank contributed to only 5 percent of total project costs so it is difficult to gauge results of its involvement. Also, there were no specific objectives. Instead, there were strategies.

Project	Capacity Building Category	Objective	Results from ICR, OED ICR Review, OED Team
Tertiary Education	Human Development	Train University and Polytechnic teachers	Some training occurred. However there is the issue of whether the staff was retained.
	Institution	Enhance management capacity—establish National Board for Accreditation, National Board for Professional and Technical Examination, National Council for Tertiary Education. Establish MIS	Tertiary system is slowly increasing management efficiency. Improvements in management are not sufficient to achieve both expansion and quality in the tertiary system. MIS established. Universities involved have core capabilities to manage the system but management needs training in its use. Research Fund and an Accreditation Board established. The National Board for Technical Examination is handicapped in performing its functions. National Council for Tertiary Education more involved in tertiary financing.
Vocational Skills and Informal Sector Support Project	Human Development	Increase government's capacity to develop, manage, and access various data—train staff to implement tracer studies	Capacity created to implement tracer studies. Staff retention is an issue and there is concern whether studies will be conducted on a regular basis. Capacity was not retained. The units involved are weaker now than before these activities took place. Development of capacity of technical and vocational institutions to deliver short focused, practical and competency based courses.
PUBLIC SECTOR			
Public Sector Management Reform Program	Institution	Develop system to provide guidelines for human resource development and public sector pay reform	Human management system was developed. Placed before cabinet but not confirmed. Pay sector reform not implemented. Studies conducted financed by Bank. Strategy presented to Government.
	Organization, Institution	Re-align CMAs functions and structures to reduce overlap and inconsistencies. Restructure subvented agencies	Studies were conducted and restructuring plans developed. Resistance to reforms in some CMAs, e.g. the Ministry of Finance and Economic Planning. Restructuring was not implemented. In two organizations restructuring was implemented but unsatisfactory. Implementation in two organizations was satisfactory. Some restructuring took place. Some subvented agencies were closed down. Others were commercialized. GIMPA and GRATIS were supposed to be successful.
	Human Development	Construct and operate a Dev. Learning Center	10,000 people trained through the learning center.
Public Financial Management Technical Assistance	Institution	The Bank financed 6 of 8 components that involved human capacity development and institutional reform with introduction of new systems and procedures - shift from manual to computer-based procedures	The functional requirements and re-engineering processes and procedures have been developed. But there are problems in linking budget preparation component (MTEF) with budget implementation component (BPEMS). New chart of accounts been developed. Several laws been enacted (e.g. the 2003 Procurement Law Financial Administration Act). However structures need to be put in place for effective implementation. Improvement in the system for tracking external debt.
	Human Development	Develop human resources capacity	Intensive training has taken place. However not utilized. Capacity gaps remain.