



Based on the *Ghana Country Assistance Evaluation*

Bank Group Experience in Ghana (1996-2004)

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Bank Group Operations in Ghana, 1967-2005

Bank Approvals	Amount		No
	(in Million UA)	%	
Total Approvals, 1967-2005	1117.00		91
Loan and Grants Approvals, 1967-2005	954.64	100	86
- Agriculture and Rural Development	204.59	21.4	24
- Transport	127.37	13.3	14
- Communications	5.00	0.5	1
- Water Supply and Sanitation	43.71	4.6	7
- Power Supply	41.24	4.3	2
- Industry, Mining and Quarrying	120.06	12.6	9
- Finance	91.52	9.6	7
- Education	50.82	5.3	4
- Health	49.35	5.2	6
- Poverty Alleviation and Micro-Finance	45.58	4.8	2
- Gender, Population and Nutrition	2.27	0.2	2
- Other Social Sector	25.00	2.6	1
- Multisector	148.11	15.5	7
Other Approvals	215.46	22.6	5

Source: Compendium of Statistics, 2006 - African Development Bank Group

Bank Intervention in Ghana

OPEV's Ghana Country Assistance Evaluation (CAE) assessed the Bank's assistance to Ghana between 1996 and 2004, and examined three Country Strategy Papers (CSPs). Under the three CSPs, the Bank committed UA376.5 million for 36 operations in Ghana. Loans represented 92 per cent of Bank commitments, while the remaining 8 per cent represented ADF grants. The Bank's share of aid to Ghana was less than 3 per cent of total annual assistance received by the country in any given year between 1996 and 2004. The Bank's contribution to Ghana was relatively small, but significant nonetheless. The objective of the Ghana CAE was to assess the development effectiveness of the Bank's intervention by evaluating the contribution of the Bank's assistance towards meeting the expected outcomes in the Ghanaian Government's Strategic Document, the Ghana Poverty Reduction Strategy, and progress toward achieving the Millennium Development Goals (MDGs). The evaluation examined the objectives of the CSPs to establish their relevance to the development issues facing Ghana and the loans used to realize the Bank's objectives with special attention to efficiency issues. The Bank's non-lending services (analytical and advisory) were also assessed. The CAE drew relevant lessons from experience over the period to strengthen future Bank policies and procedures, and to improve the overall quality of future Bank operations.

Country Assistance Evaluation Methodology

The evaluation adopted the CAE methodology of the Independent Evaluation Group (IEG) of the World Bank, and AfDB's assistance to Ghana was assessed across three dimensions: products and services, development outcomes, and contribution of assistance to results.

- The products and services dimension is a bottom-up approach that assesses major inputs (loans, non-lending assistance, resource mobilization, and aid coordination).
- The development outcome dimension is a top-down evaluation of outcomes (aimed at poverty reduction).
- The contribution of assistance to results examines the extent of Bank contributions made by the government of Ghana, other development partners, and exogenous factors.

The standard OPEV evaluation rating scales were used for the Ghana CAE. To compensate for the lack of self-evaluation (notably Project Completion Reports), the Bank's performance in Ghana was assessed using Sector Specific Evaluations that were prepared as part of the CAE, and by relating to the Bank's corporate behavior to specific policies and practices. The CAE used information from other Sector Reports, Country Portfolio Reviews, the Bank's project database, and information collected during the evaluation mission to Ghana. This exploratory approach was required as there were no PCRs completed for the 36 projects in the portfolio during the period. Two Ghana Portfolio Reviews were completed in 1998 and 2004.

Results of Sectoral Interventions

The CAE found that the Bank's strategy during the last three CSPs (1996-2004) was principally articulated around three development objectives: (i) enhancing macroeconomic stability; (ii) promoting economic growth; and (iii) fostering human resource development. Based on the Sector Specific



Evaluations, operations in all sectors were found to be relevant. The social and multisectors were assigned the highest rating of highly satisfactory while agriculture, transport, and the water and sanitation sectors were assigned lower satisfactory ratings. The overall rating on relevance was satisfactory. With regard to efficacy, all sectors were rated satisfactory based on the likelihood of the projects achieving their developmental objectives. The summary of the outcome ratings by developmental objective is presented in box 1. The overall outcome rating for all sectors was

Box 1. Summary of Outcome Rating by Developmental Objective (1996-2004)	
Development Objective	Outcome Rating
Enhancing Macroeconomic Stability	Satisfactory
Promoting Economic Growth	Satisfactory
Fostering Human Resource Development	Unsatisfactory
Source: Operations Evaluation Department, African Development Bank.	

satisfactory (despite the fact that the 'Fostering Human Development Pillar' was rated unsatisfactory).

Efficiency was rated unsatisfactory. All projects were faced with significant delays and cost overruns which led to numerous inefficiencies. The internal economic and financial rates of return had not been calculated for some projects (across all sectors). Due to the absence of these indicators, other measures of efficiency such as time and cost overruns, capacity utilization, number of target beneficiaries reached, rates of loan recovery, when and where available, were used as proxy measures of efficiency.

Efficiency received the lowest rating due to poor project design, particularly with respect to rigid loan conditionalities, lack of communication between Bank headquarters and the Project Implementation Units, slow disbursements, and weaknesses in supervision. These inefficiencies had been noted in three successive Country Portfolio Reviews in 1998, 2002, and 2004 but continued unabated during the review period. Despite these shortcomings, institutional development impact was rated substantial and sustainability was rated likely. No serious risk to Bank assistance was identified as the government, civil society, and donors remained fully committed to Bank interventions during the period. ADB performance was rated satisfactory but with room for improvement with regard to: better grounding the Bank's strategy in Economic and Sector Work (ESW);

following up on lessons learned from past experience; and strengthening Monitoring and Evaluation (M&E) capacity both within the Bank and in Ghana.

The changes that were observed in the sectoral allocation of resources suggest that CSPs may not have been utilized as planned to guide the Bank's intervention. Key outcomes in the social sector were not realized which in turn hampered impacted progress toward the achievement of the MDGs. The Ghana program appeared at times to have been demand-driven rather than CSP-driven. Lack of reference to the strategy during CSP implementation was a likely factor that inhibited the Bank's ability to achieve full development effectiveness in Ghana. Poor efficiency in the delivery of Bank products was another critical factor. The performance of the Bank's active portfolio in Ghana was lower than the Bank's total portfolio performance and deserving of closer monitoring, supervision, and improvement measures.

Evaluation Recommendations

To improve the Bank's future assistance to Ghana, OPEV's CAE offered six recommendations:

- Considering resource allocations to sectors of intervention have not been sufficiently adhered to in the last three CSPs, the Bank should apply sectoral selectivity as prescribed in the 2005-2009 Country Strategy Paper (CSP).
- At the outset of future CSP preparation, the Bank should focus on the mix of lending and non-lending instruments used to achieve synergy among its endeavors during the plan period.
- Since ESW is fundamental for the information and knowledge base that underlies the Bank's lending operations and policy dialogue process, it should be carried out solely, or in conjunction with other development partners to further enhance the quality of the Bank's interventions.
- Lessons from the past experience should be systematically incorporated into the design of new projects.
- Project Completion Reports and Country Portfolio Reviews should be carried out on a regular basis.
- The 2005-2009 CSP Framework should be carefully assessed to verify that it contains an evaluation framework with objectively measurable performance indicators for use in both mid-term and final evaluations.