

**AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND**



**REPUBLIC OF GHANA
COUNTRY PORTFOLIO PERFORMANCE REVIEW REPORT**

REGIONAL DEPARTMENT, WEST 1 (ORWA)

OCTOBER 2009

COUNTRY PORTFOLIO PERFORMANCE REVIEW REPORT

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FISCAL YEAR

1 January to 31 December

CURRENCY EQUIVALENTS (October 2009)

National Currency	=	Ghana Cedi (GHS)
UA 1.0	=	SDR 1.0
UA 1.0	=	GHS 2.30794
UA 1.0	=	USD 1.58437
UA 1.0	=	EUR 1.08200

WEIGHTS AND MEASURES Metric System

This CPPR report was prepared following a CPPR mission led by Mr. Janvier Litse, Director, ORWA, to Accra from 22 June - 08 July 2009. The CPPR mission was composed of Mr. Alieu Jeng, Resident Representative, GHFO; Mr. Samuel Chukwuka Ijeh, Principal Country Economist, ORWA (led the mission from 22 - 30 June 2009); Mr. Patrick Agboma, Principal Country Programme Officer, GHFO; Mr. Reginald Sherman, Senior Procurement Specialist, ORPF; Ms. Lydie Ehouman, Senior Transport Economist, OINF; Ms. M. Minja, Senior Transport Engineer, OINF; Mr. H. R. Heeroo, Senior Infrastructure Specialist, GHFO; Ms. Eline Okudzeto, Macroeconomist, GHFO; Mr. Philip Boahen, Agricultural Specialist, GHFO; Ms. Efua Amissah-Arthur, Social Sector Specialist, GHFO; Nanette Derby, Private Sector Specialist, GHFO; Owusu Mensah Agyei, Financial Management Specialist; and Ms. Jemima Tettey-Cofie, Disbursement Assistant, GHFO. The CPPR report was peer reviewed by Messrs. Themba Bhebhe, Principal CPO, ZMFO; Justus Kabyemera, Senior Agricultural Economist, OSAN.1; and Andsone Khumbanyiwa, Senior Forestry Officer, OSAN.4

ACRONYMS AND ABBREVIATIONS

ADB	:	African Development Bank
ADF	:	African Development Fund
AIDS	:	Acquired Immune Deficiency Syndrome
BD	:	Bidding Document
CIDA	:	Canadian International Development Agency
CGP	:	Country Governance Profile
CPIP	:	Country Portfolio Improvement Plan
CPPR	:	Country Portfolio Performance Rating
CSP	:	Country Strategy Paper
DFID	:	United Kingdom's Department for International Development
DFIs	:	Development Finance Institutions
DO	:	Development Objective
DPs	:	Development Partners
EPA	:	Economic Partnership Agreement
ESW	:	Economic and Sector Work
EU	:	European Union
EUR	:	Euro
FADSEP II	:	Food and Agricultural Development Strategy Implementation Plan II
FAO	:	Food and Agricultural Organization
GDP	:	Gross Domestic product
GHS	:	Ghana Cedi
GoG	:	Government of Ghana
GPRS II	:	Growth and Poverty Reduction Strategy II
GTZ	:	Deutsche Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation)
HDI	:	Human Development Index
HIV	:	Human Immuno Deficiency Virus
IMF	:	International Monetary Fund
IP	:	Implementation Progress
IPC	:	Interim Payment Certificate
KfW	:	Kreditanstalt für Wiederaufbau
MDBS	:	Multi-Donor Budget Support
MDGs	:	Millennium Development Goals
M&E	:	Monitoring and Evaluation
MOFA	:	Ministry of Food and Agriculture
MoFEP	:	Ministry of Finance and Economic Planning
NEPAD	:	New Partnership for Africa's Development
NGO	:	Non-Governmental Organizations
NTF	:	Nigeria Trust Fund
ODA	:	Overseas Development Assistance
PIU	:	Project Implementation Unit
PMU	:	Project Management Unit
PP	:	Problem Projects
PPPs	:	Potentially Problematic Projects
RBCSP	:	Results Based Country Strategy Paper
SDR	:	Special Drawing Rights
SMEs	:	Small and Medium Enterprises
SMMEs	:	Small, Medium and Micro Enterprises
SOEs	:	State Owned Enterprises
TAF	:	Technical Assistance Fund

TB	:	Tuberculosis
TM	:	Task Manager
UA	:	Units of Accounts
UN	:	United Nations
UNAIDS	:	United Nations AIDS Program
UNDP	:	United Nations Development Programme
UNICEF	:	United Nations Children's Fund
USAID	:	United States Agency for International Development
USD	:	US Dollar
WFP	:	World Food Program

I. INTRODUCTION

1.1 This Country Portfolio Performance Review (CPPR) exercise is part of the continued effort to improve the implementation performance of the Bank Group portfolio in Ghana. This report presents the main findings of the performance assessment of the Bank's portfolio in Ghana, following a portfolio review mission from 22 June to 08 July 2009. The last review was undertaken in December 1998.¹

1.2 The current review is intended to inform members of the Board of Directors on the performance of Bank Group's portfolio in Ghana and to make recommendations for improving the quality of the portfolio in order to achieve expected results of on-going operations and to ensure proper design of future Bank's interventions in Ghana.

1.3 This portfolio review covers only active operations, and does not include cancelled and completed operations. Also, it does not cover private sector and multinational operations.² The report was prepared on the basis of the findings of the CPPR mission and supplemented with relevant information contained in the supervision reports, as well as the portfolio monitoring information in the Bank's Information System (SAP).

1.4 The rest of the document is organized as follows: section 2 presents an overview of the performance of the portfolio while section 3 provides an assessment of portfolio management, implementation capacity and aid coordination. Potential problems and lessons for portfolio management and the preparation of future Results-based CSPs are presented in section 4. A project implementation readiness filter and a comprehensive portfolio improvement plan

are presented in sections 5 and 6 respectively while the conclusions and recommendations are presented in Section 7.

II OVERALL PERFORMANCE OF THE PORTFOLIO

A. Key characteristics of the Bank's Portfolio in Ghana

2.1 *A relatively diversified portfolio:* The Bank Group's public sector portfolio in Ghana as at 30th June 2009 consisted of 33 approved and on-going operations with a total commitment of UA 622.16 million. The portfolio is diverse in terms of lending instruments and sectoral allocation.

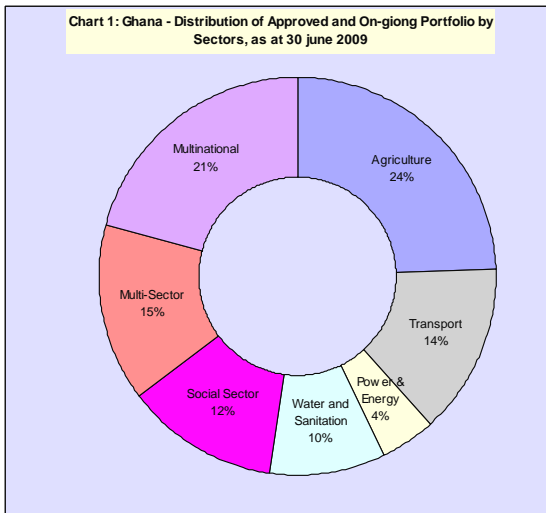
2.2 Project lending remains the most important lending instrument for the Bank's intervention in Ghana with 85.5% of the portfolio. Policy-based lending (Multi-sector Budget support) operations accounts for 14.5% of the portfolio. With the growing shift in focus to sector or program lending it is expected that the share of policy-based lending in the portfolio will continue to grow in the coming years.

2.3 Table 1 and chart 1 below present a summary of the sectoral distribution of the Bank Group approved and on-going portfolio in Ghana as at 30th June 2009 while details are provided in annex 4. The Bank Group's on-going portfolio in Ghana is dominated by the infrastructure and agriculture sectors which accounts for 28% and 24% respectively. The share of the infrastructure sector is made up of transport (14%), water and sanitation (10%) and Power and Energy (4%). Multi-national operations also account for a significant 21% of the active portfolio. Given the priority accorded to infrastructure in the Bank's Medium-Term Strategy 2008 –

¹ A CPPR done in 2005 was discussed by the Country Team in December 2005 but the report was not presented to the SMC and the Board for consideration because Management decided that a new review should be done.

² However, the discussion in section II.A covers all of the Bank's public sector operations in Ghana, including Multinational operations.

Sector	Amount Signed (in UA million)	Disbursement (%)	Portfolio Share (%)
Agriculture	150.94	30.1	24.3
Transport	85.02	15.4	13.7
Power and Energy	27.6	0.00	4.4
Water and Sanitation	58.8	9.2	9.5
Social Sector	76.95	21.8	12.4
Multi-Sector	90.00	33.3	14.5
Multinational	127.85	7.96	20.5
Total/Average	622.16	23.2	100



2012, it is expected that infrastructure will become the dominant sector in the portfolio in the coming years.

B. General Assessment of Portfolio Performance.³

2.4 With an overall portfolio rating of 2.0 points⁴ on a scale of 0 to 3, the portfolio performance is considered to be satisfactory. In terms of sectoral performance, the social sector, budget support operation and agricultural sector have the best performance with ratings of 2.3, 2.3 and 2.0 points respectively while transport, power and energy, water and sanitation sectors were unsatisfactory with ratings of 1.7, 1.6 and 1.6 points respectively.

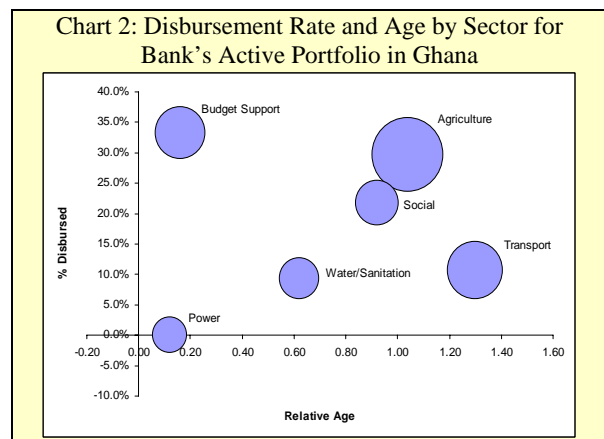
2.5 The overall disbursement rate of the portfolio as at 30th June 2009 was 23.2% which is quite low given the average age of 4.2 years of the portfolio and the implementation time that has elapsed. The problem of low disbursement rates is particularly pronounced for the infrastructure sector including transport with 15.4%, water and sanitation with 9.2%, and power and energy which is yet to disburse after two

³ This portfolio review covers only 19 active public sector operations and does not include multinational operations. See annexes 1 and 2.

⁴ The portfolio rating is calculated as the weighted average of the scores of each project with the relative size of the project in the portfolio as the weighting factor.

years of loan approval. This low rate of disbursement is attributable to a number of factors including, amongst others, delays in loan effectiveness and project start-up, delays in procurement processing at the country level due to capacity constraints and inadequate understanding of Bank's procedures. In addition to the factors identified above as responsible for low disbursement rates, the transport sector encountered the additional problem of too many signatures required for the processing of invoices for payment.

2.6 The average age of on-going projects (excluding budget support) is 4.8 years, thus reflecting the relatively old age of the portfolio. The average age of projects in the agricultural, social sectors and transport sectors are particularly high at 6.0, 5.0 and 7.0 years respectively. Chart 2 presents a bubble chart analysis of the disbursement rate of the portfolio vis-à-vis the relative age by sector.



2.7 The summary of the performance of the portfolio by sector is presented in table 2 below while details of the ratings for each project are provided in annexes 1 and 2. They show that the portfolio is characterized by implementation delay and low disbursement levels. The active public sector portfolio in Ghana includes 4 problematic (PP) operations (all of which are in the infrastructure sector). In essence, there are 24.7% of commitments-at risk in the portfolio. This is within the range of 10% – 30% that is indicative of satisfactory portfolio performance and

implies a commitments-at-risk of UA 110.1 million. There are 15 projects in the category of non-problematic projects which are being implemented smoothly.

is higher than the overall Bank Group's disbursement rate of 18.0%. It takes an average of about 13.4 months for a Bank Group project in Ghana to become effective

Sectors	Compliance with Conditions	Procurement Performance	Financial Performance	Activities and Output	Implementation Progress (IP Index)	Impact on Development (DO Index)	Overall Assessment	Age (Year)
Agriculture:	1.9	2.1	2.2	1.9	2.0	2.2	2.0	6.0
Social Sector:	2.7	1.7	2.2	2.0	1.3	2.4	2.3	5.0
Transport:	3.0	2.0	1.0	0.8	1.3	2.1	1.7	7.0
Water and Sanitation:	1.4	1.2	1.6	1.4	1.4	1.7	1.6	4.0
Power and Energy	1.0	2.0	1.0	1.0	1.3	2.0	1.6	2.0
Budget Support:	3.0	na	2.0	2.3	2.3	2.0	2.3	1.0
Weighted Average	2.3	1.5	1.9	1.8	1.7	2.1	2.0	4.2

Following the CPPR mission the Government and the Bank have taken steps to implement some of the recommendations of the Transport Sector Improvement Action Plan, including closer monitoring of road projects, faster processing of disbursement requests, reduced delays in loan signing and effectiveness. This has led to improvement in the transport sector portfolio between June and September 2009.

For instance, physical progress which stood between 5% and 15% as of June 25th, 2009 has improved to between 12% and 20% as of September 24th, 2009. The Agona Junction – Elubo study is now completed and the World Bank is using the study outputs for preparation of the Abidjan- Lagos corridor project. Progress of works is satisfactory for 2 projects - the Tema-Aflao road and the Akatsi-Dzodze-Akanu road. (See annex 5 for details)

as against an average of 10.6 months for the overall Bank Group. At 4.2 years the average age of the Bank's active portfolio in Ghana is the same with the overall Bank Group's and the Bank's portfolio in Ghana is stronger than the Bank Group's overall portfolio in terms of proportion of projects at risk with 24.7% compared to 45.0% for the Bank Group.

2.10 As at May 2009 the World Bank portfolio in Ghana comprised 37 operations

	Performance Indicators	Internal Comparison		External Comparison	
		Ghana 2009	APPR 2007	Ghana 2009	World Bank 2009
Implementation and Impact	Project cycle approval to effectiveness (Months)	13.4	10.6	13.4	3.4
	Overall Disbursement rate (%)	23.2	18.0	23.2	33.4
	Disbursement Ratio (%)*	3.3	na	3.3	na
	Average Project Size (UA millions)	22.0	16.9	22.0	28.2
	Overall Assessment of Projects (Scale 0 – 3)	2.0	na	2.0	na
	Proportion of Portfolio at Risk (%)	24.7	45.0	24.7	38.9
	Average Age of Active Portfolio (years)	4.2	4.2	4.2	3.7
Harmonization and Alignment	Use of National Systems (%)	0	na	0	0
	Number of Co-financed Projects	3	na	3	na
	Number of Parallel Project Implementation Units	3	na	3	3

* Ratio of disbursements during the reporting period/un-disbursed size of the Bank's portfolio at the end of the previous period

C. Comparative Assessment of the Portfolio Performance.

2.8 Table 3 presents a comparative analysis (portfolio results, internal comparison with overall Bank performance, and external comparison with the World Bank).

2.9 Compared to the performance of the overall Bank Group portfolio, the Bank's overall disbursement rate in Ghana of 23.2%

for a total commitment of USD 1,329.1 million (about UA 855.65 million). The World Bank's portfolio in Ghana has average project size of about UA 28.2 million (US\$ 43.8 million) compared to UA 22.04 million for the Bank. The World Bank's overall disbursement rate in Ghana is 33.4%, compared to a rate of 23.2% for the Bank. The World Bank's portfolio in Ghana is relatively younger than the Bank's with an average project age of 3.7 years compare to

4.2 years for the Bank. The World Bank's portfolio in Ghana has 38.9% of projects at risk compared to 24.7% for the Bank. In terms of harmonization and alignment, both the World Bank and the Bank do not currently use country systems.

D. Operations Requiring Special Attention.

2.11 A number of projects with specific problems have been identified in the course of this review exercise. These are the Accra Sewerage Improvement Project in the Water and Sanitation sector; and the Power Systems Reinforcement Project in the energy sector which is yet to disburse after two years of approval. The physical implementation of the Power Systems Reinforcement Project is expected to commence in mid-November 2009 when the condition precedent to first disbursement on payment of compensation to project affected persons is fulfilled. Thereafter, the project will progress smoothly since four physical contracts are ready to be signed and the remaining two are at an advanced procurement stage.

III. ASSESSMENT OF PORTFOLIO MANAGEMENT CAPACITY AND AID COORDINATION

A. At Government Level

3.1 The Ministry of Finance and Economic Planning monitors the implementation of operations in the entire portfolio and coordinates the Bank's missions in Ghana, in close collaboration with sector Ministries. Government's performance with regards to aid coordination is satisfactory but more needs to be done to improve performance in the areas of project implementation and monitoring. Weak implementation and supervisory capacity are major factors responsible for delays in project implementation.

3.2 A holistic Assessment of the Health sector revealed that overall performance in the sector has been good. However concerns were expressed about the poor performance

of the sector in the Northern region. There is also a need to allocate more resources and support to the region. The outcome of the Agriculture sector review reiterated the importance of the sector for achieving national development goals. It also concluded that the new agriculture policy FASDEP II was helpful in providing a clear framework for plans and policies. The review however, concluded that performance can be improved in the internal communication structure, budgeting and planning procedures of the MOFA.

3.3 Overall, there is a need to strengthen government's institutional and human capacity in monitoring and evaluation and results-based management. Also, the relevant ministries need to undertake more frequent project supervision missions with greater focus on results.

B. At Bank Level

3.4 The Bank's implementation management capacity is satisfactory. The Bank organizes training activities on a regular basis to familiarize PIUs with the Bank's rules of procedure concerning procurement and disbursements. Also, the Bank participated in sector reviews in the agriculture, transport, education, health and private sectors and social sectors to assess the sectoral constraints and outline strategies to improve future interventions.

3.5 As part of its decentralization process, the Bank opened the Ghana Field Office (GHFO) in mid-2007 so as to move closer to its clients. This office has been staffed with procurement and disbursement assistants in addition to other higher level international and local staff. The management of the Bank's portfolio in Ghana has benefited from the presence of the field office which contributed significantly to improved engagement with Government on matters related to portfolio performance especially disbursement and procurement leading to about 3.54% increase in disbursement ratio between 2007 and 2008.

3.6 The GHFO has also contributed to the enhancement of dialogue between the Bank, the Government and Development Partners. It has actively supported the Bank's efforts at adhering to the principles of the Paris Declaration and the Accra Agenda for Action leading to increased visibility for the Bank in the country. In 2008 and 2009, the Bank jointly with other development partners coordinated eight missions (four in budget support, two in agriculture, and one in transport). In May 2009 GHFO participated in joint sector review of the Agriculture and Health sectors in Ghana with government and other development partners.

3.7 In 2008, GHFO helped to facilitate project implementation by assisting PIUs in the preparation of their Annual Work Plans and Budgets including procurement plans. In addition, GHFO facilitated the clearance of a number of outstanding procurement requests resulting in an improvement of disbursement performance from January 2008 to June 2009 for a number of projects including; Afram Plains Rural Development Program, Sustainable Creation of Tsetse and Tryp. Free Areas in Central and Eastern Africa, Inland Valleys Rice Development Project, Nerica Rice Dissemination Project, Rural Enterprises Project, and Cashew Development Project.

C. Aid Coordination

3.8 Development Aid has provided an important source of financing for Ghana's development. Development assistance is estimated to provide over \$650 million annually, accounting for 10% of GDP. Donor assistance is usually in the form of Budget support, Sector-Wide Approach Programs (SWAPS), Basket funding, grants and concessional loans.

3.9 Donor coordination efforts are extensive, Key donors among the bilaterals in Ghana include Canada, Denmark, France, Germany, Japan, Netherlands, the UK, and USA. In addition to the Bank other multilateral donors include, EU, FAO/IFAD, UNDP, UNICEF, IMF, World Bank and WHO. The Bank is an active Multi-Donors

Budget Support (MDBS) partner in Ghana and has participated actively in providing budget support funding and in the MDBS Programme Review Meetings in Accra since 2003. The last review meetings took place in April 2009.

3.10 There is also active donor co-ordination in providing support for sector programs, in agriculture, education, health, roads and good governance, with over twenty development partners having supported or currently providing support since the country began implementing structural reforms. Donor coordination forms an integral part of the Donor and Government of Ghana relations. Donors and Government have organized themselves along thematic groups, in order to improve dialogue on sector development, needs assessment, resource mobilization, and donors' support to GoG. There are 16 Government-Donor Thematic Groups formed in the areas of Gender, Health, Education, Private Sector, Transportation, Agriculture, Public Financial Management, Decentralization, Energy, Environment and Natural Resources and Multi Donor Budget Support. Others are Governance, Energy, Water and Sanitation, and Monitoring and Evaluation. GHFO participates actively in 13 of the sector groups. Each thematic group is co-ordinated by a relevant Government ministry and one or two development partners. Dialogue with Government within this framework is very vibrant and is crucial for successful harmonisation of plans and projects that has led to better coordination of DP's projects and programmes with Government strategies.

3.11 The Bank has succeeded over the last two years to co-finance 3 operations in Ghana with bilateral and multilateral resources. The Bank is co-financing 2 operations in the agricultural sector (Northern Rural Growth program and the Rural Enterprises Project) with IFAD, and 1 operation in the health sector (Health Rehabilitation Project - Health III) with Nordic Fund and UNDP. In the Multi sector, the Bank, with 11 other Donors, provides budget support of UA 90 million while the

other partners provide UA 651.89. Through these co-financing agreements, the Bank Group succeeded in mobilizing a total of UA 798.02 million in co-financed bilateral and multilateral funds.

IV. MAIN PROBLEMS IDENTIFIED AND LESSONS FOR RBCSP AND PORTFOLIO MANAGEMENT

A. Main Problems Identified

Project Readiness at Entry

4.1 *Delays in Signing of Loan Agreements:* Loan signing and entry into force took a year or more after the Bank's Board Approval. One of the major factors responsible for delays in signing of loan agreements is the length of time that it takes to obtain the requisite approvals from Cabinet and parliamentary ratification.

4.2 *Delays in Loan Effectiveness and Project Start-up:* The major cause of the delays in loan effectiveness and project start-up is the non-readiness of project design. Other major causes of delays in loan effectiveness and project start-up include difficulties in fulfilling loan conditions, lack of project implementation plan at inception, and lateness in the identification, designation and appointment of project staff.

Project Implementation

4.3 *Weak Project Implementation Capacity:* The Mission noted that weak project implementation capacity is a major factor responsible for the delays in project implementation. Some projects operated without the full complement of staff.

4.4 *Low frequency of portfolio reviews:* The Mission noted that a closer monitoring of the Bank's projects is needed from GOG. On the part of the Bank it was noted that the frequency of portfolio supervision and country portfolio reviews is low and that a closer monitoring of Bank's project is required from the Bank.

4.5 *Poor performance of contractors and supervision consultants* led to several delays in the implementation of a number of projects leading to price escalations and repackaging of contracts.

4.6 *Frequent changes of Task Managers by the Bank and slow decision making:* A major issue identified as hampering project implementation is the too frequent changes of Task Managers by the Bank. This has meant that new TMs had to get to understand the project implementation issues first and this tended to cause some delays in response to requests submitted to the Bank thereby delaying project implementation. Also this led to situations in which agreements reached during missions with previous TMs are not followed up by the new TM.

Fiduciary Assurance

4.7 *Delays in procurement processing* at the country level due to capacity constraints and inadequate understanding of Bank procedures. Poor performance of procurement officers at the PIUs led to delays in the implementation of civil works component in some of the projects. In addition, there is a problem of lack of a clear and comprehensive procurement plan before loan approval.

4.8 *Delays in responding to procurement and disbursement requests:* and in Raising Payment Certificates and Processing Invoices for Payment. From the site visits, it was observed that contractors are generally in precarious financial situation because they do not receive payments on time and this, on several occasions, had impacted negatively on the project outputs.

Monitoring and Evaluation

4.9 *Weak Coordination and Monitoring and Evaluation:* The Mission noted that some projects are not able to show direct contribution to achievement of national objectives because they lack appropriate and monitor-able indicators for tracking results.

B. Lessons for Future Results-based Country Strategy Papers

4.10 Weak institutional and human capacity constraints for monitoring and evaluation and results-based management on the part of the government limits the ability of the authorities to monitor the development impact of Bank's intervention in the country. This calls for future RBCSPs to be selective and to focus on limited areas of intervention so as to ensure maximum and sustainable impact. In this regard, the Bank should give emphasis in the next RBCSP to sectors with high growth potentials and in which it has comparative advantage as well as budget support.

4.11 Though the Bank co-financed 3 operations with bilateral and multilateral resources over the last two year in the spirit of the Paris Declaration, the Bank needs to do more to work in collaboration with other donors through co-financing arrangements in light of limited ADF resources.

C. Lessons for Portfolio Management

4.12 A major finding of the review is that two critical factors responsible for delays in project implementation are non-readiness of project designs and lack of project implementation plan prior to loan approvals. For instance the mission noted that some agriculture projects used more than two years on survey and design of water management structures after the loan has been approved by the Board. It is therefore, important to ensure that, in future, project designs and project implementation plan are done and ready prior to Board approval of the loan.

4.13 The mission noted that processing of interim payment certificates (IPC) takes a long time with negative impact on project implementation. In line with the recommendations of the CPPR mission for a reduction and simplification of the process, the government has now put in place a mechanism to reduce the processing time of IPC especially in the transport ministry.

Specifically, the ministry has put in place a tracking sheet for the processing of IPC with the aim of tracking processing time in each desk.

4.14 GoG, the Bank and supervision consultants need to monitor more closely the Bank's projects in the country. The frequency of portfolio supervision and country portfolio review exercises is inadequate. Improving the quality and frequency of supervision mission for both the Bank and the government is therefore a necessity. For the transport sector, it was proposed that the oversight team, acts as a pressure group to ensure effective implementation of project, be reactivated. The mission also proposed that the oversight time be replicated for other sectors.

4.15 Poor performance of PIU officials and supervision consultants was also identified as a contributory factor to poor project implementation performance leading to price escalations and repackaging of contracts. A major incentive to poor performance by PIU officials and supervision consultant is the absence of performance contracts and inadequate performance culture. There is therefore a need to put in place performance contracts for PIU officials and supervision consultants so as to reward good performance and penalize poor performance.

V. PROJECT "READINESS FILTER" FOR ENHANCED QUALITY

5.1 Lack of project readiness for implementation at entry was identified as a major challenge facing the Bank's portfolio in Ghana. It was found that this leads to: (i) delays between Board approval and the coming into effectiveness and start-up of a project; (ii) delays in resource flow to the country – less disbursements than originally envisage; and (iii) projects cancellations. The Government and the CPPR mission agreed that to implement projects efficiently and on schedule, it is important to promote project readiness prior to Board approval of projects.

5.2 In view of the foregoing, the Government of the Republic of Ghana and

the Bank agreed to the following Project “Readiness Filter” for Enhanced Quality at Entry as a major component of the Country Portfolio Improvement Plan (CPIP) emanating from the CPPR:

5.3 For future operations, the Government undertook to start the processes of obtaining cabinet and parliamentary approval and the process of meeting other conditions precedent to entry-into-force of the Bank’s loans in parallel with the project appraisal and loan negotiation process and ahead of Board Approval. This would lead to a reduction or elimination of delays for loan signature.

5.4 The Government and the Bank undertook to ensure that project designs are ready prior to presentation of projects to the Board for approval and that the projects are designed with appropriate indicators for tracking results.

5.5 The Government and the Bank undertook to ensure that project implementation plans are ready during the preparation and appraisal of Bank financed projects and prior to loan negotiation.

5.6 The Government and the Bank undertook to ensure that a clear and comprehensive procurement plan covering all goods, services, and works to be procured under the project is prepared by Government and submitted to the Bank when a project is being appraised and prior to loan negotiation.

5.7 To ensure effective project implementation immediately after project approval and signature, the Government undertook to ensure that critical project staff (including Project Manager, Procurement Expert, Financial Management Expert, M&E Specialist, etc.) are identified and designated during project appraisal and prior loan negotiation. If necessary, the Government may request the Bank for support with resources for the procurement of consultants and for project design.

5.8 The Government also undertook to ensure that bidding documents for the first

year of project implementation are ready prior to loan negotiation and to ensure compliance with environmental, social, financial management and procurement policies of the Bank.

5.9 On its part the Bank undertook to ensure that Project Management or Implementation Units are properly informed of the conditions for loan effectiveness because sometimes this information is not passed down to the PIUs after loan signature.

5.10 The Government and the Bank noted that although spending more time in ensuring project readiness may mean that fewer projects get to the Board at any given time, the benefits of speedier implementation that result thereof far outweighs the costs. Consequently, the Government and Bank undertook to ensure that all future Bank Project Appraisal Missions would focus on satisfactory completion of the above key elements prior to loan negotiation.

VI. COUNTRY PORTFOLIO IMPROVEMENT PLAN

6.1 In addition to the Project Implementation “Readiness Filter” presented in section 5 above, the CPPR mission discussed and agreed to the following Country Portfolio Improvement Plan (CPIP) with the Government to address the challenges facing the Bank’s portfolio in Ghana. Details of these CPIP are elaborated below and in annex 3.

Project Implementation

6.2 The Government and the mission agreed that to eliminate delays in loan effectiveness and project start-up due to difficulties in fulfilling loan conditions, the Government and the Bank should ensure that loan conditions for future interventions are realistic and agreed to by both parties.

6.3 It was agreed that GOG should immediately reactivate the oversight team for the Bank’s road projects. This oversight team with membership from MRH, MoFEP and

GHA will act as a pressure group to ensure effective implementation of the projects and assist with the processing of disbursement requests. In addition, the mission recommended that GOG review the role and impact of the oversight team for road projects and explore the possibility of replicating this for other sectors. Also, adequate provision for training and staffing with qualified and competent professional should be made for future projects.

6.4 The Bank would engage the services of a monitoring consultant for the road sector who will report directly to the Bank and also share his/her findings and recommendations with the relevant ministry and implementation agencies. The monitoring consultants will also do the follow-up on the Borrower's adherence to and implementation of the Action Plans emanating from Bank's missions.

6.5 To address the problem of low frequency of portfolio reviews, it was agreed that portfolio reviews would be undertaken by the Bank jointly with Government annually instead of the current practice of having a portfolio review once every two years. This would ensure that problems are identified and addressed early. The annual reviews would be alternated between a comprehensive CPPR review in one year and a review of progress made in implementing the recommendations of the comprehensive CPPR in the next year.

6.6 Though the opening of the GHFO has helped in ameliorating the problem of slow decision making on requests from PIUs, the Bank should seek to further ameliorate the situation by ensuring continuity of Task Managers. For instance, the Bank should ensure that Task Managers handle projects for a minimum of two years where possible, and TM should be changed only if absolutely necessary and PIUs should be informed immediately of changes in project management responsibilities. In addition, the Bank should ensure that detailed handing over notes are prepared by the outgoing Task Manager and that the incoming Manager is

properly briefed of developments in the project and pending issues.

Fiduciary Assurance

6.7 The major causes of delays in procurement processing at the country level include procurement capacity constraints, inadequate understanding of Bank procedures, and lack of a clear and comprehensive procurement plan. The mission proposed that to ensure that procurement processes are started early enough and to enable proper execution of contract and implementation of project work plans, a clear and comprehensive procurement plan covering all goods, services, and works to be procured under the project should be prepared by Government and submitted to the Bank when a project is being appraised and prior to Board approval.

6.8 To fast-track procurement, the mission is also recommended preparation of Procurement Plans for all ongoing projects that are still undergoing procurement. The process would determine the selective use of Advance Contracting and Retroactive Financing as well as post review for individual contracts.

6.9 To address the problem of delays in raising payment certificates and processing invoices for payment, GOG undertook that henceforth, IPCs shall be processed in a timely manner. In this regard, it was agreed that Government would put in place a mechanism to reduce the processing time of IPCs. In order to address this problem, especially in the roads projects, it was agreed that once an IPC is received by the relevant executing agency, an advance copy should be sent to relevant Ministry so that they may start vetting and processing in advance. In addition, in order to track down processing time, a timesheet will be filled out by officers within the processing chain.

6.10 Lack of understanding of the Bank's procurement rules is a major source of delays. To ensure timely and effective project implementation the Bank would undertake

more frequent (at least twice a year) and targeted training on procurement and disbursement procedures for project executing agencies.

6.11 A major finding of the Mission was that projects with dedicated procurement officers tend to perform better. The Mission therefore recommended that the GOG hire more procurement officers in the relevant sector ministries to handle Bank procurement issues. Each relevant sector ministry should have at least two Procurement Officers that are knowledgeable in Bank's rules and procedures to handle all procurement issues for Bank-funded projects. The Procurement Officers may be financed from the projects' resources.

6.12 GOG agreed to put in place a mechanism to reduce the processing time for disbursement requests. In order to accelerate the process of submission of payment request to the Bank, Ministry of Finance agreed to put in place a tracking sheet for the process of submission for payment request. This action will help track the processing time of documents in order for the Ministry to address any slippages

Monitoring and Evaluation

6.13 It was agreed that Government would identify a Ministry or body within government that will play the role of enhancing the focus on results for Bank financed projects in the country. Possibly, the Government may request the Bank for support for the institutional strengthening of the capacity of the Ministry or body to monitor the results of the Bank's financed projects and overall development assistance to the country.

6.14 In addition, the Government and the Bank would ensure that projects are designed with appropriate and monitor-able indicators for tracking results and that M&E indicators are approved by all parties so as to ensure that projects are able to show direct contribution to achievement of national objectives.

6.15 On its part, the Bank would further strengthen the GHFO to enhance project monitoring, supervision and execution. By increasing its presence on the ground and delegating more authority to the Field Office, the Bank would be able to put more pressure to ensure project performance.

VII. CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions

7.1 The performance of the portfolio in Ghana is considered satisfactory with an overall rating of 2.0. However, the following challenges continue to confront the Bank's portfolio in Ghana: (i) Weak Project Implementation Capacity; (ii) Low frequency of portfolio reviews; (iii) Delays in procurement processing at the country level due to capacity constraints and inadequate understanding of Bank procedures; (iv) Delays in responding to procurement and disbursement requests, and in processing invoices for payment due to the high number of signatories required; (v) Delays in submission of audit and quarterly progress reports; and (vi) On the side of the Bank, frequent changes of Task Managers.

B. Recommendations

7.2 At the end of the CPPR mission the Bank and the Government agreed on a CPIP common to the portfolio and a matrix of actions specific to each project whose implementation will foster significant portfolio performance improvement. The main thrust of the common actions proposed in the CPIP is summarized below:

For the Government:

(i) Reduce delays in signing of loan agreements by starting the process of obtaining the requisite approvals from Cabinet and parliamentary ratification in parallel with the project appraisal and loan negotiation process and ahead of Board approval;

(ii) Reactive the oversight team for the Bank's road projects with membership from MRH, MoFEP and GHA to act as a pressure group to ensure effective implementation of the projects. Also, review the role and impact of the oversight team for road projects and see if this could be replicated for other sectors; and

(iii) Put in place a mechanism to reduce the processing time of IPCs and disbursement requests. Once IPCs are received by the relevant executing agency, an advance copy should be sent to relevant Ministry so that they may start vetting and processing in advance. Also use tracking sheets for the processing payment requests so as to ensure that the processing time of documents are tracked to enable the Ministry address any slippages.

For the Bank:

(i) Ensure that all future Project Appraisal Missions focus on satisfactory completion of the key elements of the project implementation "readiness filter" prior to Board approval of the project;

(ii) Undertake annual portfolio reviews jointly with Government instead of the current practice of having a portfolio review once every two years;

(iii) Organize targeted training on procurement and disbursement procedures for project executing agencies on a regular basis; and

(iv) Further strengthen the GHFO to enhance project monitoring, supervision and execution. By increasing its presence on the ground and delegating more authority to the Field Office, the Bank would be able to put more pressure to ensure project performance.

For the Government and the Bank

(i) Ensure that project implementation and procurement plans are ready at inception to reduce delays in loan effectiveness and project start-up;

7.3 The Boards are invited to consider the conclusions of the Ghana Country Portfolio Performance Review; to note the above project implementation 'readiness filter' for enhance quality of projects in Ghana as well as the CPIP; and to adopt the above-mentioned recommendations.

ANNEX 1

**GHANA: PERFORMANCE (RATING) OF THE ACTIVE PUBLIC PORTFOLIO BY SECTOR AND PROJECT
AS AT 30 JUNE 2009**

Sectors/Project Name	Compliance with Conditions	Procurement Performance	Financial Performance	Activities and Output	Implementation Progress (IP Index) ⁵	Impact on Development (DO Index) ⁶	Overall Assessment	Project Cycle Approval to Effectiveness (Months)
Agriculture (Weighted Average):	1.91	2.1	2.2	1.9	2.0	2.2	2.0	17.3
Small-Scale Irrigation Development Project	2.0	1.0	2.3	1.3	1.8	2.0	1.8	40.0
Cashew Development Project	2.0	2.5	2.4	2.0	2.2	1.5	2.1	14.0
Inland Valley Rice Development Project	2.0	2.0	2.4	1.5	1.9	2.0	1.9	33.0
Livestock Development Project	1.0	2.5	2.4	2.0	2.0	2.3	2.1	21.0
Rural Enterprises Project	2.0	2.5	2.4	2.3	2.3	3.0	2.4	22.0
Community Forestry Management Project	2.0	2.0	2.8	2.5	2.2	2.7	2.2	15.0
Export Market and Quality Awareness Program	2.0	2.0	2.0	2.0	2.0	2.0	2.0	8.0
Afram Plains Rural Development Project	2.3	2.5	2.3	2.0	2.1	2.8	2.2	10.0
Northern Rural Growth Program	2.0	2.0	2.0	2.0	2.0	2.0	2.0	9.0
Social Sector:	2.7	1.7	2.2	2.0	1.3	2.4	2.3	11.9
Health Services Rehabilitation III	2.0	1.0	2.0	2.0	2.1	2.0	1.9	17.0
Senior Sec. School Support Project – III	3.0	2.0	2.0	2.0	2.0	2.0	2.1	12.0
Urban Poverty Reduction Project	3.0	2.0	2.5	2.0		3.0	2.6	8.0
Transport:	3.0	2.0	1.0	0.8	1.3	2.1	1.7	26.4
Tema-Aflao Road Rehabilitation Project	3.0	2.0	1.0	1.0	1.2	2.0	1.7	42.0
Akatsi-Dzodze-Noepe Road(Akatsi-Akanu)	3.0	2.0	1.0	2.0	1.7	3.0	1.8	33.0
Road Infrastructure Project 2003	3.0	2.0	1.0	0.0	1.1	1.8	1.6	12.0
Water and Sanitation:	1.4	1.2	1.6	1.4	1.4	1.7	1.6	15.8
Rural Water & Sanitation Programme	2.0	1.8	2.0	2.3	2.0	2.5	2.3	8.0
Accra Sewerage Improvement Project (ASIP)	1.3	1.0	1.5	1.2	1.3	1.5	1.4	18.0
Power and Energy:	1.0	2.0	1.0	1.0	1.3	2.0	1.6	12.0
Power Systems Re-enforcement Project	1.0	2.0	1.0	1.0	1.3	2.0	1.6	12.0
Budget Support:	3.0	n/a	2.0	2.3	2.3	2.0	2.3	na
Third Poverty Reduction Support	3.0	n/a	2.0	2.3	2.3	2.0	2.3	na
Weighted Average	2.3	1.5	1.9	1.8	1.7	2.1	2.0	13.4

⁵ IP Index: The overall execution of the project is rated in the SAP by the Implementation Progress (IP) Index on a scale of 0 to 3, on compliance with conditions, procurement performance, financial performance, and activities and output.

⁶ DO Index: The impact of the project is rated in the SAP by the Development Objective (DO) Index on a scale of 0 to 3 based on expected sustainability and impact (outcome) of the project.

ANNEX 2

KEY DATA OF THE ACTIVE PUBLIC SECTOR PORTFOLIO AS AT 30 JUNE 2009

Sectors/Project Name	Approved Amount (UA million)	Amount Disbursed (UA million)	Disbursement Rate (%)	Overall Assessment	Project at Risk (Status) ⁷	Age (Years)
Agriculture:	150.94	52.65	30.1	2.0		6.0
Small-Scale Irrigation Development Project	15.0	11.34	75.6	1.8	Not PP/PPP	11.3
Cashew Development Project	9.89	7.77	78.5	2.1	Not PP/PPP	8.8
Inland Valley Rice Development Project	15.0	4.07	27.2	1.9	Not PP/PPP	8.2
Livestock Development Project	19.58	7.84	40.1	2.1	Not PP/PPP	7.8
Rural Enterprises Project	7.5	2.89	38.5	2.4	Not PP/PPP	6.6
Community Forestry Management Project	7.00	5.49	78.4	2.2	Not PP/PPP	2.6
Export Market and Quality Awareness Program	17.0	0.719	4.2	2.0	Not PP/PPP	4.0
Afram Plains Rural Development Project	19.97	5.12	25.6	2.2	Not PP/PPP	3.2
Northern Rural Growth Program	40.0	0.221	0.6	2.0	Not PP/PPP	1.7
Social Sector:	68.63	14.94	21.8	2.3		5.0
Health Services Rehabilitation III	18.63	2.5	13.4	1.9	Not PP/PPP	6.0
Senior Sec. School Support Project – III	25.0	7.29	29.2	2.1	Not PP/PPP	5.0
Urban Poverty Reduction Project	25.0	5.15	20.6	2.6	Not PP/PPP	4.0
Transport:	49.22	7.54	15.4	1.7		7.0
Tema-Aflao Road Rehabilitation Project	14.7	2.5	17.5	1.7	PP	7.3
Akatsi-Dzodze-Noepe Road(Akatsi-Akanu)	12.72	1.7	13.1	1.8	Not PP/PPP	6.8
Road Infrastructure Project 2003	21.8	3.34	15.3	1.6	PP	7.0
Water and Sanitation:	58.80	5.45	9.2	1.6		4.0
Rural Water & Sanitation Programme	12.8	3.81	29.7	2.3	Not PP/PPP	5.0
Accra Sewerage Improvement Project (ASIP)	46.0	1.64	3.5	1.4	PP	3.0
Power and Energy:	27.6	0.0	0.0	1.6		2.0
Power Systems Re-enforcement Project	27.6	0.0	0.0	1.6	PP	2.0
Budget Support:	90.0	30.0	33.3	2.3		1.0
Third Poverty Reduction Support	90.0	30.0	33.3	2.3	Not PP/PPP	1.0
Total	445.19	103.39	23.2	2.0		4.2

⁷ PP – A project is categorized as Problematic (PP) if the IP Index and/or DO Index are less than or equal to 1.5

PPP – A project is categorized as Potentially Problematic (PPP) if the IP Index and DO Index are both greater than 1.5, but if the project has at least two critical factors. The critical factors taken into account in rating PPP are notably delay in effectiveness, procurement, operations management, availability of counterpart resources, and the level of disbursement relative to the age of the project

PAR – A project is considered at risk if it is categorized as PP or PPP.

Commitment at Risk – Value of projects that are at risk.

ANNEX 3

2009 CPPR: COUNTRY PORTFOLIO IMPROVEMENT ACTION PLAN

Areas of Focus	Main Problems	Recommended Actions	Responsibility	Timeframe
Project Readiness at Entry	Delay in Signing of Loan Agreements due mainly to the length of time that it takes to obtain the requisite approvals from Cabinet and parliamentary ratification	Start these processes in parallel with the project appraisal and loan negotiation process and ahead of Board Approval	Government	On-going
	Delays in Loan Effectiveness and Project Start-up due mainly to non-readiness of project design and lack of project implementation plan at inception, lateness in the identification, designation and appointment of project staff.	Ensure that project designs are done and ready prior to loan negotiation.	Government and Bank	On-going
		Ensure that project implementation plans are ready during the preparation and appraisal of Bank financed projects and prior to loan negotiation.	Government and Bank	On-going
		Ensure that a clear and comprehensive procurement plan covering all goods, services, and works to be procured under the project is prepared by Government and submitted to the Bank when a project is being appraised and prior to loan negotiation.	Government and Bank	On-going
		Ensure that critical project staff are identified and designated during project appraisal and prior to presentation of the project to loan negotiation.	Government	On-going
	Ensure that bidding documents for the first year of project implementation are ready prior to loan negotiation and to ensure compliance with environmental, social, financial management and procurement policies of the Bank.	Government and Bank	On-going	
	Ensure that Project Management or			

		<p>Implementation Units are properly informed of the conditions for loan effectiveness because sometimes this information is not passed down to the PIUs after loan signature.</p> <p>Ensure that all future Bank Project Appraisal Missions focus on satisfactory completion of the above key elements prior to loan negotiation.</p>	<p>Bank and Government</p> <p>Bank</p>	<p>On-going</p> <p>On-going</p>
Project Implementation	Weak Project Implementation Capacity	<p>Immediate reactivation of the oversight team for the Bank's road projects. This oversight team with membership from MRH, MoFEP and GHA will act as a pressure group to ensure effective implementation of the projects. In addition, the mission recommended that GOG review the role and impact of the oversight team for road projects and see if this could be replicated for other sectors. Also, adequate provision for training and staffing with qualified and competent professional should be made for future projects.</p>	<p>Government</p>	<p>December 2009</p>
	Low frequency of portfolio reviews: Closer monitoring of the Bank's projects is needed from GOG the Bank and the Consultants.	<p>Annual portfolio reviews should be undertaken by the Bank jointly with Government instead of the current practice of having a portfolio review once every two years.</p>	<p>Bank</p>	<p>Annually</p>
	Delay in Implementation due to Poor performance of contractors and supervision consultants	<p>Engages the services of a monitoring consultant for the road sector who will report directly to the Bank and also share his/her findings and recommendations with the relevant ministry and implementation agencies. The monitoring consultants will also do the follow-up on the Borrower's adherence to and implementation of the Action Plans emanating from Bank's missions.</p>	<p>Bank</p>	<p>October 2009</p>
	Frequent changes of Task Managers by the Bank and slow	<p>Promote continuity of Task Managers by ensuring that Task Managers</p>	<p>Bank</p>	<p>On-going</p>

	decision making	handle projects for a minimum of two years, and TM should be changed only if absolutely necessary and PIUs should be informed immediately of changes in project management responsibilities. In addition, the Bank should ensure that detailed handing over notes are prepared by the outgoing Task Manager and that the incoming Manager is properly briefed of developments in the project and pending issues.		
Fiduciary Assurance	Delays in procurement processing at the country level due to lack of a clear and comprehensive procurement plan, capacity constraints and inadequate understanding of Bank procedures.	Clear and comprehensive procurement plan covering all goods, services, and works to be procured under future projects should be prepared by Government and submitted to the Bank when a project is being appraised and prior to Board approval.	Government	On-going
		Organize targeted training on procurement and disbursement procedures for project executing agencies on a regular basis.	Bank	At least twice a year
		Preparation of Procurement Plans for all ongoing projects that are still undergoing procurement. The process would determine the selective use of Advance Contracting and Retroactive Financing as well as post review for individual contracts.	Government	December 2009
	Delays in responding to procurement and disbursement requests, and in Raising Payment Certificates and Processing Invoices for Payment.	Hire more procurement officers in the relevant sector ministries to handle Bank procurement issues. Each relevant sector ministry should have at least two Procurement Officers that are knowledgeable in Bank's rules and procedures to handle all procurement issues for Bank-funded projects.	Government	May 2010
		Put in place a mechanism to reduce the processing time of IPCs and	Government	October 2009

		<p>disbursements request.</p> <p>(i) Once IPCs are received by the relevant executing agency, an advance copy should be sent to relevant Ministry so that they may start vetting and processing in advance.</p> <p>(ii) Put in place a tracking sheet for the processing of payment requests. The tracking sheet will be filled out by officers within the processing chain. This action will help track the processing time of documents in order for the Ministry to address any slippages</p>		
Monitoring and Evaluation	Weak Coordination and Monitoring and Evaluation: Some projects are not able to show direct contribution to achievement of national objectives because they lack appropriate and monitor-able indicators for tracking results.	Identify a Ministry or body within government that will play the role of enhancing the focus on results for Bank financed projects in the country. Possibly, the Government may request the Bank for support for the institutional strengthening of the capacity of the Ministry or body to monitor the results of the Bank's financed projects and overall development assistance to the country.	Government	March 2010
		Further strengthen the GHFO to enhance project monitoring, supervision and execution. By increasing its presence on the ground and delegating more authority to the Field Office, the Bank would be able to put more pressure to ensure project performance.	Bank	March 2010
		Ensure that future projects are designed with appropriate and	Government and Bank	On-going

		monitor-able indicators for tracking results and that M&E indicators are approved by all parties so as to ensure that projects are able to show direct contribution to achievement of national objectives.		
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ANNEX 4: GHANA – SUMMARY OF BANK GROUP ON-GOING PORTFOLIO AS AT 30 JUNE 2009

No.	SECTOR	PROJECT NAME	AMOUNT SIGNED (UA)	DATE APPROVED	DATE SIGNED	EFFECTIVE DATE	TOTAL DISBRSD	Undisbursed Amount	% DISB	% in Port
1	AGRICULTURE	SMALL-SCALE IRRIGATION DEVELOPMENT PROJECT	15,000,000.00	04.12.1997	29.05.1998	25.08.00	11,201,849.93	3798150.07	74.68	0.02
2	AGRICULTURE	CASHEW DEVELOPMENT PROJECT	9,890,000.00	31.10.2000	08.03.2001	24.12.01	7,749,401.69	2140598.31	78.36	0.01
3	AGRICULTURE	INLAND VALLEY RICE DEVELOPMENT PROJECT	15,000,000.00	18.05.2001	23.05.2001	06.06.02	3,047,045.13	11952954.87	20.31	0.02
4	AGRICULTURE	LIVESTOCK DEVELOPMENT PROJECT	19,580,000.00	10.10.2001	02.08.2002	05.12.02	6,961,799.54	12618200.46	35.56	0.03
5	AGRICULTURE	RURAL ENTERPRISES PROJECT	7,500,000.00	12.12.2002	16.04.2003	30.09.03	2,861,522.39	4638477.61	38.15	0.01
6	AGRICULTURE	COMMUNITY FORESTRY MANAGEMENT PROJECT	7,000,000.00	03.07.2002	16.04.2003	13.10.03	5,457,811.75	1542188.25	77.97	0.01
7	AGRICULTURE	EXPORT MARKET AND QUALITY AWARENESS PROG	17,000,000.00	13.07.2005	29.07.2005	24.03.06	670,840.94	16329159.06	3.95	0.03
8	AGRICULTURE	AFRAM PLAINS RURAL DEVELOPMENT PROJECT	19,970,000.00	31.05.2006	29.06.2006	02.02.07	4,106,557.18	15863442.82	20.56	0.03
9	AGRICULTURE	NORTHERN RURAL GROWTH PROGRAM	40,000,000.00	17.12.2007	04.03.2008		-	40000000	0.00	0.06
		SUB-TOTAL	150,940,000.00				42,056,828.55	108883171.5	27.86	0.22
							-	0		-
1	MULTINATIONAL	NERICA DISSEMINATION PROJECT - GHANA	2,650,000.00	26.09.2003	07.10.2003	05.02.05	1,527,694.39	1122305.61	57.65	0.00
2	MULTINATIONAL	INVASIVE AQUATIC WEEDS - GHANA	1,680,000.00	22.09.2004	13.10.2004	10.10.05	262,699.95	1417300.05	15.64	0.00
3	MULTINATIONAL	GHANA - CREATION OF SUSTAINABLE TSETSE A	6,640,000.00	08.12.2004	15.04.2005	28.12.05	2,284,745.44	4355254.56	34.41	0.01
4	MULTINATIONAL	GHANA - CREATION OF SUSTAINABLE TSETSE A - G	240,000.00	08.12.2004	15.04.2005	28.12.05	203,406.67	36593.33	84.75	0.00
5	MULTINATIONAL	GHANA - PROM OF SCIENCE AND TECH. FOR AGRIC. DEVT.	15,581,000.00	29.11.2006	18.12.2006	18.12.06	1,141,548.31	14439451.69	7.33	0.02
6	MULTINATIONAL	UEMOA GHANA ROAD PROGRAMME	64,500,000.00	19.11.2003	18.12.2003	12.10.04	2,894,352.12	61605647.88	4.49	0.10
7	MULTINATIONAL	UEMOA GHANA ROAD PROGRAMME (SUPPLEMENTARY)	4,300,000.00			not effective	-			0.01
8	MULTINATIONAL	GHANA - TOGO - BENIN POWER INTERCONNECT	14,870,000.00	04.04.2007	17.05.07	not effective	-			0.02
9	MULTINATIONAL	BENIN - TOGO - GHANA POWER INTERCONNECT	17,390,000.00	04.04.2007	02.06.08	not effective	-			0.03
7	MULTINATIONAL	UEMOA GHANA ROAD PROGRAMME (SUPPLEMENTARY)	4,300,000.00			not effective	-			0.01
8	MULTINATIONAL	GHANA - TOGO - BENIN POWER INTERCONNECT	14,870,000.00	04.04.2007	17.05.07	not effective	-			0.02
9	MULTINATIONAL	BENIN - TOGO - GHANA POWER INTERCONNECT	17,390,000.00	04.04.2007	02.06.08	not effective	-			0.03
		SUB-TOTAL	127,851,000.00				10,173,151.31	117677848.7	7.96	0.19
								0		-
3	MULTI-SECTOR	THIRD POVERTY REDUCTION SUPPORT	90,000,000.00	17.09.2008	28.10.2008	11.12.2008	30,000,000.00	60000000	33.33	0.13
		SUB-TOTAL	90,000,000.00				30,000,000.00	60000000	33.33	0.13
								0		-
1	SOCIAL	HEALTH SERVICES REHABILITATION III	17,640,000.00	30.10.2002	04.06.2003	30.03.2004	1,881,411.07	15758588.93	10.67	0.03
	SOCIAL	HEALTH SERVICES REHABILITATION III -G	1,000,000.00	30.10.2002	04.06.2003	09.09.2003	603,907.06	396092.94	60.39	0.00
2	SOCIAL	SENIOR SEC. SCHOOL SUPPORT PROJECT - III	20,000,000.00	24.09.2003	01.04.2004	03.09.2004	6,327,347.69	13672652.31	31.64	0.03

	SOCIAL	SENIOR SEC. SCHOOL SUPPORT PROJECT - III G	5,000,000.00	24.09.2003	01.04.2004	03.09.2004	953,069.96	4046930.04	19.06	0.01
3	SOCIAL	URBAN POVERTY REDUCTION PROJECT	25,000,000.00	12.10.2005	23.11.2005	21.03.2006	5,150,100.00	19849900	20.60	0.04
4	SOCIAL	*GENDER RESPONSIVE SKILLS & COMMUNITY DEVT PROJ	5,950,000.00	19.17.07	14.05.2008	20.01.2009	-	5950000	0.00	0.01
	SOCIAL	*GENDER RESPONSIVE SKILLS & COMMUNITY DEVT PROJ -G	2,360,000.00	19.12.2007	14.05.2008	20.01.2009	-	2360000	0.00	0.00
		SUB-TOTAL	76,950,000.00				14,915,835.78	62034164.22	19.38	0.11
								0		-
1	TRANSPORT	TEMA-AFLAO ROAD REHABILITATION PROJECT	14,700,000.00	17.04.2002	02.08.2002	05.12.2002	1,984,706.92	12715293.08	13.50	0.02
	TRANSPORT	TEMA-AFLAO ROAD REHABILITATION PROJECT - SUPPLM	25,400,000.00			not effective	-			0.04
2	TRANSPORT	AKATSI-DZODZE-NOEPE ROAD(AKATSI-AKANU)	12,720,000.00	20.12.2002	18.07.2003	23.07.2004	1,304,852.50	11415147.5	10.26	0.02
	TRANSPORT	AKATSI-DZODZE-NOEPE ROAD(AKATSI-AKANU) - SUPPLM	13,400,000.00			not effective	-			0.02
3	TRANSPORT	ROAD INFRASTRUCTURE PROJECT 2003	18,000,000.00	17.09.2003	01.04.2004	24.09.2004	2,487,252.33	15512747.67	13.82	0.03
	TRANSPORT	ROAD INFRASTRUCTURE PROJECT 2003 G	800,000.00	17.09.2003	01.04.2004	01.04.2004	435,753.27	364246.73	54.47	0.00
		SUB-TOTAL	85,020,000.00				6,212,565.02	78807434.98	7.31	0.13
								0		-
1	WATER/SANITATION	RURAL WATER & SANITATION PRORAMME	12,800,000.00	08.09.2004	13.10.2004	12.05.2005	3,926,177.06	8873822.94	30.67	0.02
2	WATER/SANITATION	ACCRA SEWERAGE IMPROVEMENT PROJECT (ASIP)	46,000,000.00	26.04.2006	19.05.2006	23.06.2007	1,412,645.88	44587354.12	3.07	0.07
		SUB-TOTAL	58,800,000.00				5,338,822.94	53461177.06	9.08	0.09
							-	0		-
1	POWER AND ENERGY	*POWER SYSTEMS RE-INFORCEMENT PROJECT	27,600,000.00	28.11.2007	04.03.2008	20.11.2008	-	27600000	0.00	0.04
		SUB-TOTAL	27,600,000.00				-	27600000	0.00	0.04
							-	0		-
		TOTAL PUBIC SECTOR	622,161,000.00				113,356,681.52	488,356,798.50		
1	PRIVATE SECTOR	*KEMPINSKI ACCRA HOTEL PROJECT	10,330,000.00			not effective	-	10330000	0.00	0.02
2	PRIVATE SECTOR	EXPORT ORIENTED SME GUARANTEE PROGRAM (DCA)	10,117,920.00	18.03.2008	30.09.2008		-	10117920		0.02
3	PRIVATE SECTOR	LINE OF CREDIT TO CAL MERCHANT BANK (NO2)	9,231,450.94	24.07.2008	17.11.2008	03.12.2008	9,231,451.00	-0.060000001	100.00	0.01
4	PRIVATE SECTOR	GHANA OIL PALM DEVELOPMENT COMPANY (GOPDC)	5,369,026.58	12.12.2002	19.02.2003	21.01.2004	5,369,027.00	-0.42	100.00	0.01
5	PRIVATE SECTOR	TEMA OSONOR POWER PLANT	19,576,495.15			not effective	-			0.03
		SUB-TOTAL	54,624,892.67				14,600,478.00	-	26.73	0.08
										-
		GRAND TOTAL	676,785,892.67				127,957,159.52	508,804,318.5	18.91	

Annex 5

Recent Portfolio Developments (Since June 2009)

Transport Sector Portfolio

Following the CPPR mission the Government and the Bank have taken steps to implement the recommendations of the Transport Sector Improvement Action Plan, including closer monitoring of road projects, faster processing of disbursement requests, reduced delays in loan signing and effectiveness. This has led to improvement in the transport sector portfolio between June and September 2009.

For instance, physical progress which stood between 5% and 15% as of June 25th, 2009 has improved to between 12% and 20% as of September 24th, 2009. The Agona Junction - Elubo study is now completed and the World Bank is using the study outputs for preparation of the Abidjan- Lagos corridor project. Progress of works is satisfactory for 2 projects - the Tema-Aflao road and the Akatsi-Dzodze-Akanu road.

GoG signed the 3 Supplementary Loans on June 10th, 2009 and on September 3rd, 2009, provided to the Bank the Legal opinions. The Loans are therefore expected to be declared effective in the coming weeks. Since there is no condition precedent to first disbursement for these supplementary loans and procurement of works for Lots 2 of the Tema-Aflao Road and the Akatsi-Akanu Road is underway, disbursement will soon be initiated.

In the past, loan signing and entry into force in Ghana took close to a year after the Bank's Board Approval. These excessively long delays are caused by the requisite approval process. In order to save time, the Bank proposed that the approval process be initiated just after loan negotiations. This would enable the process to be completed soon after Board Approval. Right after the negotiations which took place in September 2009, GoG has already launched the requisite approval process for the loan signing of the Awoshie-Pokuase Road and Community Development Project Loan to be considered by the Board on October 14th, 2009.

Social Portfolio

Significant progress has been made in Project implementation since July 2009 particularly; in the Health Services Rehabilitation Project III. Contract for the Construction of the Tarkwa District Health Hospital was signed in June 2009 between the Ministry of Health and Top International Engineering Corporation. Preparatory activities are currently ongoing to clear the site at Tarkwa to facilitate the construction of the Hospital. Disbursement to the Health III project increased from 13.4% in June 2009 to 18.22% in mid-September 2009 to support the preparatory activities on the Hospital site.

With respect to the Urban Poverty Reduction Project due to accelerated implementation of the demand driven socio-economic sub-projects in the beneficiary communities there has been notable increases in the disbursement of the Project funds. The rate of disbursement which was 20.6% as at June 2009 has now risen to 26.51%.