

## PROJECT COMPLETION REPORT (PCR)

### A. PROJECT DATA AND KEY DATES

#### I. BASIC INFORMATION

Project Number: 210015500114	Project Name: Institutional Support to Two Ministries	Country : Ghana		
Lending Instrument(s): TAF		Sector: (Multi-sector) <b>GOVERNANCE</b>	Environmental Classification: 3	
Original Commitment Amount: UA 2,000,000		Amount Cancelled: UA 328,149.80	Amount Disbursed: UA 1,671,850.20	Percent Disbursed: 83.59%
<b>Borrower: Government of Ghana</b>				
<b>Executing Agency(ies)</b> [List the main Ministries, Project Implementation Units, Agencies and civil society organizations responsible for implementing project activities.]: Ministry of Finance & Economic Planning (MOFEP); Project Implementation Unit (PIU) located at the Ministry of Finance and Economic Planning.				
<b>Co-financers and other External Partners</b> [List all other sources and amounts of financing, technical assistance or other resources used in this project]: ADF Grant: UA 2.0 million; and one cofinancier, Government of Ghana: UA 0.2 million.				

#### II. KEY DATES

Project Concept Note Cleared by Ops. Com.: N/A as Ops. Com not yet established.	Appraisal Report Cleared: September 1998	Board Approval: October 1998	
Restructuring(s): All foreign training was changed to local training			
	Original Date	Actual Date	Difference in months [Actual-Original]
EFFECTIVENESS	oct-98	09-mai-00	19 months
MID-TERM REVIEW		nov-01	
CLOSING	31-déc-01	31-déc-05	48 months

#### III. RATINGS SUMMARY

All summary ratings are auto-generated by the computer from the relevant section in the PCR.

CRITERIA	SUB-CRITERIA	RATING
PROJECT OUTCOME	Achievement of Outputs	3,2
	Achievement of Outcomes	2,8
	Timeliness	1
	<b>OVERALL PROJECT OUTCOME</b>	<b>2</b>
BANK PERFORMANCE	Design and Readiness	3
	Supervision	3
	<b>OVERALL BANK PERFORMANCE</b>	<b>3</b>
BORROWER PERFORMANCE	Design and Readiness	2
	Implementation	2
	<b>OVERALL BORROWER PERFORMANCE</b>	<b>2</b>

IV. RESPONSIBLE BANK STAFF

POSITIONS	AT APPROVAL	AT COMPLETION
Regional Director	P. Afrika	J. K. Litse
Sector Director	N/A	G. Negatu
Task Manager	O. Fajana	M. P. S. Matila
PCR Team Leader		M. P. S. Matila
PCR Team Members		M. P. S. Matila (Leader); M. Tani(Consultant)

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## B. PROJECT CONTEXT

Summarize the rationale for Bank assistance. State:

- what development challenge the project addresses,
- the Borrower's overall strategy for addressing it,
- Bank activities in this country (ies) and sector over the past year and how they performed, and
- ongoing Bank and other externally financed activities that complement, overlap with or relate to this project.

Please cite relevant sources. Comment on the strength and coherence of the rationale.

**[250 words maximum. Any additional narrative about the project's origins and history, if needed, must be placed in Annex 6: Project Narrative]**

The development challenge was to contribute to poverty reduction and achieve greater economic and social development management.

The Government's overall strategy was to develop the institutional capacity of the economic organs of Government to be able to formulate economic policies, manage the national debt and monitor the implementation of development programmes and projects; and to strengthen the capacity of the Non Governmental Organisations and the Ministry of Employment and Social Welfare to effectively engage civil society to enable it to effectively participate in national economic development through training and providing software systems that would enhance their work. The Bank approved a similar project in October 2001 aimed at developing capacity of the state to promote good governance and human rights by training staff and providing equipment to the Parliamentary Service, Commission on Human Rights and Administration of Justice, Judicial Services and PRSP process (NDPC). The intention was to strengthen the capacity of the state to promote good governance in the areas of accountability, efficiency, transparency, anti-corruption and monitoring and evaluation. The project was well implemented and achieved its development objectives.

In September 2008, the Boards of Directors approved Ghana's Third Poverty Reduction Budget Support Loan (PRSL III) of UA 90 million. The PRSL III complements the ISP on Governance and Capacity building, and aims to improve public expenditure management, and decentralize fiscal frameworks by empowering district assemblies with public financial resources, to enhance good governance, among other objectives. The project is ongoing and is expected to end in December 2010, implementation is satisfactory. Another complementary project is the Urban Poverty Reduction project which seeks to improve the socio-economic growth of the poor urban settlements through better participatory management, job creation, public private partnership and governance at the local level. The project is supported with an ADF loan of UA 25.00 million, and government counterpart of UA2.78 million. It began in 2006 and is expected to be completed by 2011.

## C. PROJECT OBJECTIVES AND LOGICAL FRAMEWORK

### 1. State the Project Development Objective(s) (as set out in the appraisal report)

The project intended to provide human resources development, systems development, office equipment, vehicles, project management support, and to improve capacity in respective agencies.

### 2. Describe the major project components and indicate how each will contribute to achieving the Project Development Objective(s).

Major Project Components were:

- Strengthening Aid and Debt Management to ensure good aid management and provide advice and information on debt contraction.
- Strengthening Physical Audits of Government Projects to enhance management and improve delivery and inform GOG on progress and needed adjustments.
- Strengthening Economic Research to provide information for policy formulation
- Strengthening the Civil Society Participation to enable Civil Society to demand accountability and transparency from GOG on behalf of citizens
- Strengthening the ADB Desk in the Ministry of Finance to improve management and record keeping as well as monitoring of ADB funded projects
- Project Management Unit to ensure implementation of the project and achievement of project development objectives

### 3. Provide a brief assessment (up to two sentences) of the project objectives along the following 3 dimensions. Insert a working score, using the scoring scale provided in Appendix 1.

PROJECT OBJECTIVES DIMENSIONS		ASSESSMENT	WORKING SCORE
RELEVANT	a) Relevant to the country's development priorities	Project objectives were very relevant to the country's development priorities of capacity building and civil society participation in national development and poverty reduction	4
ACHIEVABLE	b) Objectives could in principle be achieved with the project inputs and in the expected timeframe	The objectives could be achieved with project inputs and within the expected time frame, in fact, objectives have been achieved with less than the project budgeted financial inputs, although after a long delay. The delay was more on the effectiveness of the project rather than on implementation. More supervision by both the Bank and GOG could have improved delivery within stipulated time.	3
CONSISTENT	c) Consistent with the Bank's country or regional strategy	The objectives were consistent, without doubt, to the Bank's country and regional strategy of assisting RMCs to improve economic management and capacity building aimed at contributing to the achievement of poverty reduction and growth within the framework of their PRSPs	4
	d) Consistent with the Bank's corporate priorities	The objectives were consistent with the Bank's corporate priorities of achieving development effectiveness of Bank Group policies, projects and programs in RMCs.	4

4. Lay out the logical framework. In the absence of a logical framework, complete the table below, stating the overall objective of the project, the main components of the project, the main activities of each component, and the expected outputs and outcomes, as well as the indicators for measuring outcomes. Add additional rows for components, activities, outputs or outcomes, if necessary.

COMPONENTS	ACTIVITIES	OUTPUTS	EXPECTED OUTCOMES	INDICATORS TO BE MEASURED
<b>Component 1:</b> Strengthen the capacity of the Aid and Debt Management Unit to effectively manage aid and debt data and provide disaggregated data on the structure and level of debt and information for budget purposes on aid.	Activity 1: Training and capacity building of the Aid and Debt Management Unit staff on systems of debt management provided by the UN and Commonwealth secretariat.	Output 1: Establishment of the debt policy and strategy. Regular production of streamlined debt portfolio management data.	Outcome 1: Capacity of the Aid and Debt Management Unit improved.	Number of courses delivered and number of staff trained and production of debt management information and used for planning and budgeting
	Activity 2: Short term training of staff in workshops	Output 1: 12 ADMU staff trained in workshops on relevant skills	Outcome 2: Improved service delivery	Number of staff trained and number of courses provided.
<b>Component 2:</b> Project Implementation and Monitoring Unit (MOEFP), Establishment of the unit; provision of the training of staff and provision of software to analyse data was developed.	Activity 1: Establishment of the PIMU, and procurement of staff and logistical equipment	Output 1: Employment of Project Manager, Finance Officer, Procurement Officer and support staff as well as accommodation for the office. PIU establishment.	Outcome 1: Improved project monitoring and supervision. Project was implemented and all planned training courses undertaken	Staff compliment of the PIU and monitoring services. Number of courses delivered and staff trained.
	Activity 2: Staff training	Output 2: All 7 PIU staff trained.	Outcome: Improved service delivery	Number of the PIU staff trained in essential services.
<b>Component 3:</b> Research department capacity development	Activity 1: Provision of necessary skills for the research department through training and system development	Output 1: Fifteen staff members trained in various skill development courses on economic management. Software developed to help analyse data	Outcome 1: Policy formulation based on informed decision and data analysis.	Number of staff trained and good policies formulated
	Activity 2: Review of the economic research collaboration between the three agencies; research department; BoG; and NDPC	Output 2: Streamlined functions of the three collaborating research institutions.	Outcome 2: Improved debt management and record keeping. Streamlined mandates and no duplications by the three agencies involved in debt management.	Distinct responsibilities of the collaborating institutions and improved information sharing.

<b>Component 4: Strengthen capacity of NGOs and involvement in decision making</b>	Activity 1: 2 studies to be undertaken to review and analyse the extent of the NGO's contribution to the development of Ghana and enhancement of effectiveness of Women NGOs. Workshops to be organised in the ten regions of Ghana to develop NGOs' capacity and improve collaboration with Government	Output 1: Ten regional workshops and two studies to be undertaken to review the NGOs' performance in national development	Outcome 1: Improved NGOs capacity leading to effective collaboration between NGOs and Government on development of Ghana.	Number of registered NGOs that received training and participation in development agenda. Number of workshops conducted.
	Activity 2: Organise 2 Workshops for NGO officers in the MESW ministry to match that of the NGOs.	Output 2: Workshops for NGO officers to improve coordination of NGOs	Outcome 2: Improved capacity of NGOs officers and coordination of NGO activities.	Trained NGOs to act as spokes persons for the public
<b>Component 5: Strengthening of the ADB Desk.</b>	Activity 1: Improve capacity of the Desk by training staff	Output 1: ADB staff trained in functional skills	Outcome 1: Improved management, supervision and monitoring of the ADB portfolio	Number of trained staff and performance level of the desk.
	Activity 2: Providing monitoring system and logistical support	Output 2: Procurement of office equipment including IT software and vehicles for the Desk, a four wheel drive vehicle for project supervision, communication equipment, computers and e-mail facilities, and a monitoring system software.	Outcome 1: Improved supervision of projects, communication and better record keeping and management.	An efficient ADB Desk with improved record keeping of projects data

5. For each dimension of the log. frame, provide a brief assessment (up to two sentences) of the extent to which the log. frame achieved the following. Insert a working score, using the scoring scale provided in Appendix 1. If no log. frame exists, score this section as a 1 (one).

LOG. FRAME DIMENSIONS		ASSESSMENT	WORKING SCORE
<b>LOGICAL</b>	a) Presents a logical causal chain for achieving the project development objectives	Each component is presented in a logical causal chain, viz.: Activity - Outputs - Expected Outcomes - Measurement Indicators. This could be further expanded to include risks and key assumptions	3
<b>MEASURABLE</b>	b) Expresses objectives and outcomes in a way that is measurable and quantifiable	The objectives and outcomes were quite measurable and quantifiable, even though some aspects are somewhat more qualitative and therefore difficult to measure	3
<b>THOROUGH</b>	c) States the risks and key assumptions	Commitment of Government in the implementation of PRSP; release of staff for training; trained staff to be retained; Donor assistance provided timely for implementation of the PRSP; procurement done in time and availability of counterpart funds.	2

## D. OUTPUTS AND OUTCOMES

### I. ACHIEVEMENT OF OUTPUTS

In the table below, assess the achievement of actual vs. expected outputs for each major activity. Import the expected outputs from the log. frame in Section C. Score the extent to which the expected outputs were achieved. Weight the scores by the activities' approximate share of project costs. Weighted scores are auto-calculated by the computer. The overall output score will be auto-calculated as the sum of the weighted scores. Override the auto-calculated score, if desired, and provide justification.

MAJOR ACTIVITIES		Working Score	Share of Project Costs in percentage (as stated in Appraisal Report)	Weighted Score (auto-calculated)
Expected Outputs	Actual Outputs			
Twelve officers of the ADMU trained in advanced features of debt recording and management through three weeks programme workshops and debt streamlined in national development budget	Twelve officers trained and record keeping has improved in both domestic and external debts portfolio, weekly domestic debt analysis are produced. External debt is synchronised with the national development budget. As a result of various studies and training conducted under the auspices of the project, streamlined debt management portfolio is produced; Domestic Debt now stands on its own and produces weekly domestic debt analysis with the Bank of Ghana and the Accountant-General's Department. Debt Strategy and policy have also been established.	3	20	0,6
All staff procured and trained, office space as well as equipment made available.	The PIU established with a full complement of trained staff and equipment including IT software provided and office space made available. Procurement Officer left the PIU and was not replaced on account of no major procurement activities left having accomplished most.	4	20	0,8
Training seven Ministry of Finance staff in monitoring, evaluation, policy analysis and planning; and fifteen staff of MOF/BOG/NDPC in various economic research techniques and streamlining the functions of three collaborating institutions in economic research e.g. Bank of Ghana, National Development Planning Commission and Research Department of MoFEP.	Research functions streamlined, Economic Policy Analysis Division (MFEP) produces macroeconomic data to guide policy making; Project Implementation and Monitoring Unit (PIMU) monitors projects using detailed forms designed to enable capture more scientific data for effective analysis. Software to facilitate the analysis of data was developed by a consulting firm which was meant to enhance the analytical capacity of the unit to play a more meaningful role in project monitoring and evaluation. Bank of Ghana produces fiscal information and monetary policy.	3	20	0,6

Strengthen the ADB Desk by providing long term training and equipment to improve efficiency of the desk	The Desk received three long term training for its staff and has 8 members of staff. Most of the staff benefited from the functional training provided by the project. The Desk also received a four wheel drive vehicle which is very useful for project supervision; communication equipment, computers and e-mail facilities; the computerised monitoring system designed by the consultant broke down and there was no back up for the system. The Desk continues to enjoy support from other on-going projects in respect of logistics.	3	20	0,6
Training 90 staff in ten regional workshops to improve NGOs capacity and collaboration with Government and two studies to analyse the effectiveness of NGOs in national development. NGO officers skills update through two regional workshops.	Ten regional workshops conducted for NGOs, two studies to analyse the effectiveness of the NGOs undertaken and two NGOs officers training workshops not undertaken.	3	20	0,6
<b>OVERAL OUTPUT SCORE:</b> [Score is calculated as the sum of weighted scores]				3,2

 Check here to override the auto-calculated score

**Provide justification for over-riding the auto-calculated score**

Insert the new score or re-enter the autocalculated score	3,2
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II. ACHIEVEMENT OF OUTCOMES

1. Using available monitoring data, assess the achievement of expected outcomes. Import the expected outcomes from the log. frame in Section C. Score the extent to which the expected outcomes were achieved. The overall outcome score will be auto-calculated as an average of the working scores. Override the auto-calculated score, if desired, and provide justification.

OUTCOMES		Working Score
Expected	Actual	
Capacity of the Aid and Debt Management Unit improved as well as the management of aid and debt systems	Improved recording keeping and management of aid and debt. Aid and Debt Management Unit headed at Director level; weekly domestic debt data produced and external debt streamlined in national budget.	3
Improved project implementation and service delivery; all planned activities implemented	Improved monitoring and evaluation. PIU implemented all planned activities. NDPC produces Progress Assessment Report annually which assess performance of the Government on the implementation of the PRSP (GPRS II).	3

Improved capacity of research and planning; macroeconomic data analysis and monitoring of projects.	Improved project monitoring and macroeconomic analysis. Project Implementation and Monitoring Unit (PIMU) has detailed forms designed to enable it capture data for effective collation and easy analysis. Software to facilitate the analysis of data has been developed by a consulting firm which enhanced the analytical capacity of the unit although at the time of the PCR preparation it had broken down. Improved macroeconomic data analysis which is the basis for MTEF preparation and budget.	3
Efficiency of NGOs' contribution to national development improved	Participation of NGOs in national development has improved. Capacity of civil society organisation improved through the regional workshops. NGO officers in government did not receive training which may affect collaboration of GOG and NGOs. NGOs participate in the annual review of the budget support and national progress report.	2
Improved record keeping of project monitoring, supervision and follow up by the ADB Desk	The ADB Desk keeps updated records on all projects. Capacity of the ADB Desk improved and its performance in supervising and follow up as well as record keeping has improved.	3
<b>OVERALL OUTCOME SCORE</b> [Score is calculated as an average of the working scores]		2,8

 Check here to override the auto-calculated score

**Provide justification for over-riding the auto-calculated score**

<b>Insert the new score or re-enter the autocalculated score</b>	2,8
<b>2. <u>Additional outcomes.</u> Comment on the project's additional outcomes not captured in the log. frame, including cross-cutting issues (e.g., gender).</b>	
The project objective was to improve capacity of government officers in planning, macroeconomic management, monitoring and supervision of programmes and projects. Capacity of the officers has been improved. Originally 43 courses were planned for 1093 officers at the close of the project 57 courses were undertaken for 1347 officers.	
<b>3. <u>Risks to sustained achievement of outcomes.</u> State the factors that affect, or could affect, the long-run or sustained achievement of project outcomes. Indicate if any new activity or institutional change is recommended to help sustain outcomes. The analysis should draw upon the sensitivity analysis in Annex 3, where appropriate.</b>	
(1) The possible risks to sustained achievement of outcomes was retention of staff after training. Successful economic reform policies provided impetus to establish and or expand local and international firms that attracted government and NGO officers. This risk was viewed not worse if the officers are within the country because they would still contribute to economic growth. GOG improved pay structure to retain staff and continued training. (2) Lack of cooperation with Government and other international organisations could lead to NGOs not being given work and therefore no job satisfaction for trained NGP officers which may lead to them leaving the NGOs. Improved collaboration with Government and other International organisations, e.g involvement in the PRSP process, policy formulation and MDS annual assessment provides NGOs an opportunity to engage Government on behalf of citizens. (3) Timeliness of implementation of project activities was a risk that required mitigation. This risk seems not to have been well mitigated because the project became effective after 19 months of approval and the deadline was extended three times. (4) The proper relationship between the PIU, MOFEP and the Bank was not well articulated in the project document and this became a risk on reporting and managing the project. PIU terminated the first consultant's contract against the Bank's advice and GOG seemed helpless on the issue. PIU should communicate with the Bank through Government and should have no power on the affairs of the project other than implement what was agreed between the Bank and Government.	

## E. PROJECT DESIGN AND READINESS FOR IMPLEMENTATION

1. State the extent to which the Bank and the Borrower ensured the project was commensurate with the Borrower's capacity to implement by designing the project appropriately and by putting in place the necessary implementation arrangements. Consider all major design aspects, such as extent to which project design took into account lessons learned from previous PCRs in the sector or the country (please cite key PCRs); whether the project was informed by robust analytical work (please cite key documents); how well Bank and Borrower assessed the capacity of the implementing agencies and/or Project Implementation Unit; scope of consultations and partnerships; economic rationale of project; and provisions made for technical assistance.

The design did not comprehensively and adequately assess the capacity of the implementing agencies. While the project was relevant and implementation arrangements were put in place, capacity within GOG was inadequate. The project became effective after 19 months following approval. There were no PCRs on the sector available for reference during preparation of this project in 1998. However, the project benefitted from technical assistance and robust analytical work available. The project was based on rigorous discussion by Bank staff and Government on identified deficient areas. The debt management was based on the 1994 and 1995 Economic and Legal Advisory Services (ELAS) aimed at comprehensively presenting debt in terms of creditors categories, debt service obligations, currencies and other aspects. It was also a follow up on the Commonwealth Secretariat's Debt Management and Recording System (CS-DRMS) and United Nations Development cooperation Analysis System (DCAS) studies. Before project effectiveness in May 2000, 19 months after approval the Government of Ghana (GoG) fulfilled all grant conditions precedent to first disbursement: (i) establishment of a Project Steering Committee; (ii) Established the PIU and recruited, Project Manager, procurement officer, accountant and administrative assistant/secretary; (iii) provided evidence of opening of two special accounts, one for the local currency and one for the foreign currency; (iv) filled all vacancies in the ADB Desk with qualified personnel; (v) provided a written undertaking that GOG will provide recurrent cost after completion of the project; (vi) appointed two qualified staff to understudy the ADMU resident advisor. The project rationale was to address the capacity shortfalls in the area of governance and poverty reduction in the form of deficient human capital and insufficient operational equipment in Ghana. The project formulation was based on exhaustive consultations with stakeholders and the donor community, particularly UNDP, World Bank, EU, DFID, CIDA, and members of the NGOs. Technical assistance was provided to the aid and debt unit to enhance capacity on data collection and management using the recently installed Aid Management Information System (AMIS).

2. For each dimension of project design and readiness for implementation, provide a brief assessment (up to two sentences). Insert a working score, using the scoring scale provided in Appendix 1.

PROJECT DESIGN AND READINESS FOR IMPLEMENTATION DIMENSIONS		ASSESSMENT	WORKING SCORE
REALISM	a) Project complexity is matched with country capacity and political commitment.	Project complexity was not matched with available capacity and commitment by the borrower. The conditions for first disbursement took 19 months to fulfill yet were not complex, perhaps there was implementation capacity or lack of qualified personnel in the country which could have been adequately assessed and mitigated at appraisal.	2
RISK ASSESSMENT AND MITIGATION	b) Project design includes adequate risk analysis.	The project was well designed but did not adequately analyse risks and mitigation measures. Risks were identified but some especially on the timeliness of implementation were not adequately addressed and mitigated as evidenced by the delay to start the project and three extensions during implementation. Close supervision by both the Bank and the borrower could have mitigated some of the delays.	3
USE OF COUNTRY SYSTEMS	c) Project procurement, financial management, monitoring and/or other systems are based on those already in use by government and/or other partners.	Procurement, financial management, monitoring and evaluation arrangements were based on country systems already in use by GoG and the other key development partners: World Bank, UNDP, DFID, and CIDA among others.	3

For the following dimensions, provide separate working scores for Bank performance and Borrower performance:			WORKING SCORE	
			Bank	Borrower
CLARITY	d) Responsibilities for project implementation were clearly defined.	The Project Appraisal document specified clearly both the Bank and Borrower responsibilities for project implementation. However, during implementation GOG did not fully supervise the PIU and felt the Bank should. This affected project implementation leading to unilateral termination of the contract for functional training by the PIU. Employment of individual consultants was also not approved by the Bank nor GOG.	3	2
PROCUREMENT READINESS	e) Necessary implementation documents (e.g. specifications, design, TORs, procurement documents) were ready at appraisal.	The necessary implementation documents (on specifications, TORs, design and procurement) were part of the appraisal document and were made available to members of the PIU during project launch. A mistake occurred on the procurement of the consultants for the functional training, a lead consultant used fraudulent credentials and this was detected towards the end of the contract and the PIU unilaterally terminated the contract despite the fact that the Steering Committee and beneficiary institutions were happy with training delivery. Documents were not verified, especially qualifications. Procurement methods were changed from ICB to National shopping due to delays.	3	3
MONITORING READINESS	f) Monitoring indicators and monitoring plan were agreed upon before project launch.	The monitoring indicators and monitoring plan, including conditions precedent to first disbursement of the grant, were agreed upon before project was launched. Monitoring was not well done because mistakes and delays were not detected well in time and adjustment were not made, except on changing the procurement method and venues for training.	3	2
BASELINE DATA	h) Baseline data were available or were collected during project design.	Baseline data on costs of training, the required equipment, as well as on the training modules and target groups in each of the beneficiary institutions were collected during project design. Capacity constraints affected timeliness of project implementation.	3	3

## F. IMPLEMENTATION

**1. State the major characteristics of project implementation with reference to: adherence to schedules, quality of construction or other work, performance of consultants, effectiveness of Bank supervision, and effectiveness of Borrower oversight. Assess how well the Bank and the Borrower ensured compliance with safeguards.**

**[200 words maximum. [Any additional narrative about implementation should be included at Annex 6: Project Narrative.]**

The project was well designed despite an implementation delay of 4 years. During the mid term review in November 2001 a modification was made, all courses and tours planned to be undertaken outside were changed to local training. Beneficiary units whose expertise was not available locally like ADMU were affected. External Consultants who were original approved were not all made available and this also affected the course delivery although reports indicate that the substitute consultants were equally good. The training consultants did well although the PIU unilaterally determined their contract after informing the Bank that the Steering Committee was happy with the course delivery. The impact of the development of software could not be established because by the time of the PCR preparation the developed software had broken down and awaiting repair while some were still under construction. The Bank supervision noticed some irregularities with the use of the resources in October 2005, PIU did not seek no objection on the termination of the contract and engagement of the individual consultants to complete the remaining courses. This took place after the departure of the Procurement office who was not replaced and the PIU felt that since major procurement work was done there was no need to employ a new officer. The Bank informed GOG to take action and GOG informed the Bank in 2005 that it was undertaking a due diligence on the project and requested the Bank to suspend disbursement and promised to share the results of the investigations with the Bank. GOG informed the Bank PCR preparation mission in January 2007 that the PIU is being investigated by the Serious Fraud Office and its report will be shared with the Bank. In 2009 GOG informed the Bank that the report of the investigation was for internal consumption and could not be shared with a third party despite several promises made in writing and in meetings. The 2005 audit report was finally submitted in September 2009. GOG did not effectively enforce safeguards on the management of the project resources. GOG informed the Bank after termination of the contract that the lead consultant had used incorrect credentials at the time of tendering. GOG investigated and the consultant C. B. Arthur admitted that it was a mistake. GOG submitted its report to the Bank and informed the Bank that it agrees with the consultant that it was a genuine mistake and would not prosecute. The Bank however, did not agree with GOG conclusion and informed GOG that the subject consultant should not be awarded future contracts funded by the Bank. In view of all this, although development objectives were achieved, compliance was not effectively ensured by both GOG and the PIU.

**2. Comment on the role of other partners (e.g. donors, NGOs, contractors, etc.). Assess the effectiveness of co-financing arrangements and of donor coordination, if applicable.**

While there was no donor co-financing for this project, a major role of the development partners was to support the GoG in the mobilization of resources for, and/or contribution to, the planning and capacity development. Apart from specific co-funding of selected activities, there were also parallel funding as well as other forms of assistance such as "technical", "equipment" and in "kind" that improve capacity. The overall co-ordination of financial aid flows lies with the External Resource Mobilization (Multilateral) Division (ERM-M) of the Ministry of Finance and Economic Planning (MOFEP). The Director, ERM-M in MOFEP, provides oversight on the PIU's outputs. Other partners had separate projects which also included capacity development e.g. agriculture, health, education, etc.

**3. Harmonization. State whether the Bank made explicit efforts to harmonize instruments, systems and/or approaches with other partners.**

For this ISP on capacity building to two ministries, there has not been any explicit efforts by the Bank to harmonize instruments, systems, or approaches with other partners. But recently, for the third High Level Forum (HLF-3) on Aid Coordination held in Accra in September 2008, that agreed on the Accra Agenda for Action on implementation of the Paris Declaration, the Bank played a leading role. It was agreed that to meet the MDGs, much more needs to be done, not only to raise the level of aid and promote use of country systems, but to address in a systematic and coherent way the other issues of governance, including democracy and human rights, capacity building, while addressing also gender equity; social progress; and environmental sustainability. Through the Multi Donor Budget Support (MDBS) donors have agreed a common assessment framework for implementation of the GPRS II. Donors use government systems and GOG leads the preparation and implementation of the framework, enhancing ownership.

4. For each dimension of project implementation, assess the extent to which the project achieved the following. Provide a brief assessment (up to two sentences) and insert a working score, using the scoring scale provided in Appendix 1.

PROJECT IMPLEMENTATION DIMENSIONS		ASSESSMENT		WORKING SCORE
TIMELINESS	a) Extent of project adherence to the original closing date. If the number on the right is: below 12, score 4 between 12.1 to 24, score 3 between 24.1 to 36, score 2 beyond 36.1, score 1	Difference in months between original closing date and actual closing date or date of 98% disb. rate.	The project did not adhere to the original closing date of September 2001 and effectively closed in December 2005. The balance of resources was cancelled in March 2009 due to GOG's delay in submitting the report of the PIU investigations and items eligible for payment from project funds. GOG had requested for the fourth extension in 2006 which the Bank did not grant. Although the project was declared effective in May 2000 after 19 months of delay (after approval) implementation was not completed within three years as was originally planned, deadline was extended three times.	1
		50 months		
BANK PERFORMANCE	b) Bank complied with:			
	Environmental Safeguards	Project has been designed to ensure it satisfied environmental safeguards to meet the Bank's Category 3 classification of projects. The Bank ensured excellent training environment for the functional training programs. The project did not have any direct impact on the environment.		4
	Fiduciary Requirements	The Bank delivered training on project implementation to the PIU, and provided adequate information on fiduciary requirements and financial management of the project funds.		3
	Project Covenants	Details of project covenants were fully discussed with PIU and project oversight agencies. Adequate documentation was also provided.		3
	c) Bank provided quality supervision in the form of skills mix and practicality of solutions	Bank supervision missions at times composed of economists, procurement officers, and finance specialists to ensure quality supervision and practical solutions were provided to issues raised, although some of them were not followed by the borrower.		3
	d) Bank provided quality management oversight	Bank staff provided quality management oversight at supervision. The project was implemented before the establishment of the Country Office, however, the GHFO followed up on the outstanding investigation and audit reports until submission of the audit report.		3

<b>BORROWER PERFORMANCE</b>	e) Borrower complied with:		
	Environmental Safeguards	Project has been managed to ensure non-adversarial impact on the environment, and satisfied the Bank's Category 3 classification of projects. The PIU ensured excellent training environment for the training programs.	3
	Fiduciary Requirements	Final Audit Report was submitted on 25 September 2009 long after the preparation of this PCR in January 2007. The auditors indicated lack of sufficient audit evidence about the nature and appropriateness of transactions involving expenditures totaling US\$15,925. The auditors did not also express separate opinions on compliance with loan covenants; Bank rules and policies; disbursement and procurement guidelines and control environment in accordance with the Bank's Standard Audit TORs. The audit does not provide a list of all assets purchased with dates, values and conditions. There is an unjustified balance of US\$785,411.70 in the special account as at 02 October 2009. The PIU did not follow the fiduciary requirements to the later as, it determined the functional training consultancy contract against the Bank and GOG's advice, employed individual consultants to undertake training without seeking no objection from the Bank, used some funds of budgeted items on unfunded activities and could not justify all expenditures of the Special account.	2
	Project Covenants	The PIU did not regularly submit quarterly progress reports to facilitate monitoring and evaluation of project performance. The PIU submitted the client PCR in April 2007. Procurement of vehicles and office equipment that were sourced from IYAPSO delayed by 18 months. The Bank approved GOG's request to procure office equipment locally in 2001.	2
	f) Borrower was responsive to Bank supervision findings and recommendations	Borrower was not always responsive to findings and recommendations of the Bank's supervision missions, especially on seeking non objection on use of individual consultants and termination of the contract of the consultants. The bank mission in October 2005 identified funds that were used without Bank approval and no convincing argument was provided, except that PIU indicated that they undertook actions to protect Government interest.	2
	g) Borrower collected and used monitoring information for decision making	All the 5 project components have been completed, and project objectives realized, demonstrating satisfactory utilization of monitoring information. However some components suffered due to non functioning of the software and change of training to local even though some relevant expertise was not available locally.	3

## G. COMPLETION

1. IS THE PCR DELIVERED ON A TIMELY BASIS, IN COMPLIANCE WITH BANK POLICY?			
Date project reached 98% disb. Rate (or closing date if applicable)	Date PCR was sent to pcr@afdb.org	Difference in months	WORKING SCORE (auto-calculated) if the difference is 6 months or less, a 4 is scored. If the difference is 6.1 or more, a 1 is scored
Not reached. 83.59%	March 26, 2010	35 months (after PCR preparation)	1
<p>2. Briefly describe the PCR Process. Describe the Borrower's and co-financers' involvement in producing the document. Highlight any major differences of opinion concerning the assessments made in this PCR. Describe the team composition and confirm whether a site visit was undertaken. Mention any major collaboration from other development partners. State the extent of field office involvement in producing the report. Indicate whether comments from Peer Reviewers were received on time (provide names and positions of Peer Reviewers). <u>[100 words maximum]</u></p>			
<p>This PCR was prepared by a Consultant under the supervision of the Bank's Task Manager for this project. The Consultant was assisted by staff of the Ministry of Finance and Economic Planning and the PIU (former project manager and former accountant) in assembling background information from all the beneficiary units including MESW and the AfDB Desk Office in the MOFEP. The Consultant conducted site visits to the PIU and the beneficiary institutions during which he was assisted by staff of the MOFEP. The PCR Preparation mission was informed that the PIU is under investigation and that all projects documents were with the Serious Fraud Office. There were no major differences in the assessment of the Client PCR (though submitted late) and this PCR, but some major differences highlighted in this PCR relate to the failure by the PIU to submit regular quarterly reports, non compliance with Bank rules and the fact that the final Auditor's Report was submitted very late despite constant reminders. The GHFO staff followed up on the audit and investigation reports. The PCR was processed through the old system and the Inter-Departmental Working Group resolved that the report should be shelved pending the submission by GOG of the investigation report and the final audit. GOG has submitted the 2005 audit report and would not submit the investigation report as is now viewed as an internal report despite several promises made to the Bank in the past since 2006.</p>			

## H. LESSONS LEARNED

Summarize key lessons for the Bank and the Borrower suggested by the project's outcomes

[250 words maximum. Any additional narrative about lessons learned, if needed, must be placed in Annex 6: Project Narrative]

The key lessons learnt from the implementation of the ISP are the following: (1) **Design**: This project was well designed, formulated and comprehensive in its outreach. (2) **Establishment of Independent Project Implementation Units (PIUs)**: The Bank should be selective in establishing independent PIUs outside the ministerial structures of Government. This UA 2.0 million grant for the capacity building of the two ministries could have been easily implemented directly by the concerned ministries. It is true that in theory the Executing Agency was the Ministry of Finance which supervised the project through a Steering Committee comprising various institutions; however, in reality the independent PIU was implementing the project. The Project Manager and his staff in the PIU were not employees of the Government and they disappeared with the completion of the project. Hence, the institutional memory about the project implementation issues has been lost. The beneficiary institutions had only information pertaining to the provisions of the grant which they received.

(3) **Stand alone small capacity building projects**: The second lesson from this small grant which has taken almost seven years to be completed is that it would have been more cost effective for the Bank to combine grants of this size with other projects the Bank is financing in related sectors to minimise the administrative cost. In addition to that the project would have received more attention in terms of supervision.

(4) **The closure of the project**: The Bank should always ensure that before the closure of the project all outstanding issues, disputes and claims have been resolved and settled in consultation with the Government. In the case of this project a number of issues were outstanding. ;(i) The payment dispute between the consultant and the beneficiary of the grant has not been resolved. The consultant was paid only 40% advance of his contract, while he claims that he has completed 80% of the training program before the abrogation of his contract (consultants has not followed up);(ii) The Government initiated investigations and special audit and GOG would not submit the outcome of the investigations.

(5) **Delay in the fulfillment of grant conditions**: Simplified grant conditions do not necessarily lead to quick grant effectiveness but strong commitment and rigorous follow up and supervision by all parties involved. In the case of this project the conditions were simple and easy to fulfill yet there was a 19 months delay due mainly to the failure to appoint the Project Manager and his staff.

(6) **Procurement of Equipment and Vehicles through IYAPSO**: Selection of the most appropriate procurement method for certain categories. The procurement arrangement at appraisal required that all vehicles and office equipment should be through IYAPSO. However, there was an 18 months delay in the delivery of the equipment. It was only in 2001 that the Bank approved Government request to procure the office equipment by local shopping. The lesson to be learned from this experience is that local shopping should have been the preferred mode of procurement for such small items as office equipment. The need for back up services is also important for such items as computers and printers.

(7) **Supervision of training programs**: The consulting firms delivering training programs should be closely supervised in terms of the relevance of the topics, the quality of the teaching material, the teams they are bringing to the field and the evaluation of the participants. In this project the training team was changed without notifying the Bank and GOG.

# PROJECT COMPLETION REPORT (PCR)

## I. PROJECT RATINGS SUMMARY

All working scores and ratings are auto-generated by the computer from the relevant section in the PCR.

CRITERIA	SUB-CRITERIA	WORKING SCORE
PROJECT OUTCOME	Achievement of outputs	3,2
	Achievement of outcomes	2,8
	Timeliness	1
	<b>OVERALL PROJECT OUTCOME SCORE</b>	<b>2</b>
BANK PERFORMANCE	<b>Design and Readiness</b>	
	Project Objectives were relevant to country development priorities.	4
	Project Objectives could in principle be achieved with the project inputs and in the expected time frame.	3
	Project Objectives were consistent with the Bank's country or regional strategy	4
	Project Objectives were consistent with the Bank's corporate priorities	4
	The log frame presents a logical causal chain for achieving the project development objectives.	3
	The log frame expresses objectives and outcomes in a way that is measurable and quantifiable.	3
	The log frame states the risks and key assumptions.	2
	Project complexity was matched with country capacity and political commitment.	2
	Project design includes adequate risk analysis.	3
	Project procurement, financial management, monitoring and/or other systems were based on those already in use by government and/or other partners.	3
	Responsibilities for project implementation were clearly defined.	3
	Necessary implementation documents (e.g. specifications, design, procurement documents) were ready at appraisal.	3
	Monitoring indicators and monitoring plan were agreed upon during design.	3
	Baseline data were available or were collected during design.	3
	<b>PROJECT DESIGN AND READINESS SUB-SCORE</b>	<b>3</b>
	<b>Supervision:</b>	
	Bank complied with:	
	Environmental Safeguards	4
	Fiduciary Requirements	3
	Project Covenants	3
	Bank provided quality supervision in the form of skills mix provided and practicality of solutions.	3
	Bank provided quality management oversight.	3
	PCR was delivered on a timely basis	1
<b>SUPERVISION SUB-SCORE</b>	<b>3</b>	
<b>OVERALL BANK PERFORMANCE SCORE</b>	<b>3</b>	

<b>BORROWER PERFORMANCE</b>	<b>Design and Readiness</b>	
	Responsibilities for project implementation are clearly defined.	2
	Necessary implementation documents (e.g. specifications, design, procurement documents) are ready at appraisal.	3
	Monitoring indicators and monitoring plan are agreed upon and baseline data are available or are being collected	2
	<b>PROJECT DESIGN AND READINESS SCORE 2</b>	
	<b>Implementation</b>	
	Borrower complied with:	
	Environmental Safeguards	3
	Fiduciary Requirements	2
	Project Covenants	2
	Borrower was responsive to Bank supervision findings and recommendations.	2
	Borrower collected and used of monitoring information for decision-making.	3
	<b>IMPLEMENTATION SUB-SCORE 2</b>	
<b>OVERALL BORROWER PERFORMANCE SCORE 2</b>		

## J. PROCESSING

STEP	SIGNATURE AND COMMENTS	DATE
Sector Manager Clearance		
Regional Director Clearance		
Sector Director Approval		

## APPENDIX 1

### Scale for Working Scores and Ratings

SCORE	EXPLANATION
4	<b>Very Good-</b> Fully achieved with no shortcomings
3	<b>Good-</b> Mostly achieved despite a few shortcomings
2	<b>Fair-</b> Partially achieved. Shortcomings and achievements are roughly balanced
1	<b>Poor-</b> Very limited achievement with extensive shortcomings
NA	Non Applicable

**Note:** The formulas round up or down for decimal points. Only whole numbers are computed.

## ANNEX 1

## (a) Project Costs by Component (USD)

Expenditure Category	Approved Budget	Actual Expenditure	Difference (+ or -)
(i) Training	1 590 165,87	835 091,65	755 074,22
(ii) Computer & Equipment	447 061,23	78 208,12	368 853,11
(iii) System Development	447 466,22	77 855,00	369 611,22
(iv) Project Management	212 661,23	176 140,00	36 521,23
(v) Auditing of Accounts	29 975,23	12 000,00	17 975,23
<b>TOTAL</b>	<b>2 727 329,78</b>	<b>1 179 294,77</b>	<b>1 548 035,01</b>

## (b) Financing by Sources of Funds (UA)

	Planned	Actual	Difference
African Development Fund	2 000 000,00	1 671 850,20	328 149,80
GoG	200 000,00	251 790,00	-51 790,00
<b>Total</b>	<b>2 200 000,00</b>	<b>1 923 640,20</b>	<b>276 359,80</b>

## ANNEX 2

2. **Bank Inputs.** List the key team members, and their specialties, during preparation and supervision. Provide a consolidated list of Preparation, Supervision and Completion Missions in chronological order. Provide the date and ratings of the last supervision report.

- (A) **Appraisal Mission to Ghana: 23 March to 6 April 1998** 23 March to 6 April 1998  
**Project Appraisal Prepared by:**
- Team Members:
- 1 Mr. G. Namakando, Country Economist, OCDW.1
  - 2 Mr. T. Fandayomi, Geographer, OESU
- Supervisors
- 1 Mr. O. Fajana, Division Manager, OCDW.1
  - 2 Mr. F. Afrika, Director, OCDW
- (B) **Launching of ISP Mission: 23 March 1998**
- Team Member:
- 1 Mr. G. Namakando, OCDW.1
- (C) **Project Suoervisions**
- (i) Supervision Mission June 2000  
Mr. G. Namkando
- (ii) **Mid Term Supervision November 2001**  
Mr. G. Namakando, Country Economist  
Mr. O. Fajana, Manager, OCCWI
- (iii) **Country Portfolio Review November 2004**  
Mr. J. Ndenjako, SeniorCountry Economist  
Mr. A. Jeng, Manager, OCDW1
- (D) **Country Portfolio Review October 2005**
- 1 Mr. O. Fajana, Division Manager, Country Programs, OCCW.1
  - 2 Mr. Jean Ndenzako, Senior Country Economist, OCCW.1
  - 3 Mr. G. Namakando, OCDW.1
  - 4 Mr. A. Jeng, Division Manager, OCDW.1
- (E) **Supervision and PCR Preparation Missio January 2007**
- 1 Mr. Mothobi P.S. Matila, Senior Economist, OSGE.2
  - 2 Mr. M. H. Tani, Consultant, OSGE

**ANNEX 3. Procurement Plan.** Please attached the most recent Procurement Plan \*\*

**List of Contracts Financed by the Project**

<b>Name</b>	<b>Nature of Contract</b>	<b>Date of contract</b>	<b>Contract Sum</b>
C. B. & Associates/John Young & Associates, Ghana	Comsultancy for local training	27-juin-03	USD 835,091.65
Price Water House Coopers Ghana	Consultancy study for economic research	05-juil-04	USD 60,000.00
Crown Agents, Ghana	Organisation & Methods study	04-juil-01	USD 59,990.00
K-Rep Holdings, Kenya	Consultancy, Resident Advisor to ADMU	04-juil-01	USD 53,990.00
K-Rep Holdings, Kenya	Consultancy for Domestic debt study	04-juil-01	USD 26,000.00
K-REP Holdings, Kenya	Consultancy for Debt Strategy study	04-juil-01	USD 22,750.00
Kappa Consulting, Kenya	NGOs Effectiveness in development study	04-juil-01	USD 18,000.00
Kappa Consulting, Kenya	Women NGOs effectiveness study	04-juil-01	USD 18,200.00
Kappa Consulting, Kenya	Civil Society participation in Development	04-juil-01	USD 18,200.00
Kwame Nkruma University Ghana	Consultancy for Project implementation and Monitoring and Evaluation System for PIMU	04-juil-01	USD 32,900.00
T. K. Ollenu & CO, Economic Consultant, Ghana	Project Implementation System for ADB Desk	04-juil-01	USD 15,955.00
Software House International Ghana	Consultancy for computerised system for PIU	17-oct-03	USD 24,000.00
Price Water house Coopers Ghana	Audit Consultancy	29-juil-02	USD 12, 000.00
New Mart Business Services Ghana	Supply and Installation of Office equipment	04-juil-04	USD 33,934.12
SAMBUS Company LTD Ghana	Supply of Computers, Printer and Fax	04-juil-04	USD 38,274.00
Kwame Nkruma University Ghana	Computerised System for PIMU	20-oct-03	USD 6,000.00

## ANNEX 4

### 5. List of Supporting Documents

- 1 Ghana: Appraisal Report on Institutional Support to Two Ministries, September 1998
- 2 PCR on ADF Institutional Support for to Two Ministries prepared by the PIU, Executing Agency, Ghana, April 2007
- 3 Client PCR
- 4 Audit Report of September 2009
- 5 Aide Memoire for Country Portfolio Review Mission: 3-21 October 2005
- 6 Aide Memoire for Supervision Mission: 8-19 January 2007
- 7 MOFEP Files on ADF Project on Institutional Support for Governance and Poverty Reduction
- 8 ADB Desk in MOFEP Files on ADF Project on Institutional Support for Governance and Poverty Reduction
- 9 PIU Correspondances
- 10 Bank files
- 11 NDPC: Annual Progress Report of the Ghana Poverty Reductio Strategy (GPRS)

## INSTITUTIONAL SUPPORT TO TWO MINISTRIES N

### PROJECT COMPLETION REPORT (PCR)

#### ANNEX 6

**Project Narrative.** *Key factors not covered in the main template that affected the design and implementation of the project. Such factors, both positive and negative, could include: climate and weather, political changes, contractual or personnel matters, technical issues, procurement processes, and interactions with other partners. If any of these factors is significant enough to affect the evaluation ratings, it should be noted in the template with a reference to this annex.*

**Acknowledgements:** The mission would like to take this opportunity to express its appreciation to the officials of the GHFO, MOFEP, MESW, PIU and Beneficiary Units (ADMU, NGO, NGO Desk, ADB Desk, Research Department (Policy Analysis Division), Project Implementation and Monitoring, and PIU for the assistance provided to the OSGE Consultant during preparation of this PCR.

#### 1. Origin and Background of the Project

The Government of Ghana (GoG) in 1997 embarked on a program of strengthening the Government's national economic management institutions. Central to the implementation of this policy was the strengthening of key organs in the Ministry of Finance responsible for the country's economic management. In this regard, it was realized that the Bank Group was Ghana's second largest multilateral donor and its portfolio was set to expand. The need to set up a viable ADB Desk in the Ministry of Finance for the management of the growing portfolio was deemed necessary. Similarly the Aid and Debt Management Unit (ADMU), the unit responsible for the proper recording of aid flows, repayment of debt, and other related activities needed to be strengthened to enable it to perform its functions effectively and efficiently. Other units in the Ministry, including the Research Division (now called Policy Analysis Division) and Project Implementation and Monitoring Unit (PIMU) were equally considered as units that needed their capacities built.

Civil Society participation in governance was considered a necessary and sufficient tool in the general developmental process. Therefore its effectiveness needed to be enhanced. As the Ministry responsible for Civil Society matters was the then Ministry of Employment and Social Welfare (MESW) now re-designated as Ministry for Manpower, Youth and Employment (MMYE), the Ministry became an integral beneficiary of the project together with the Ministry of Finance and Economic Planning. The project was therefore jointly dedicated to two Ministries as per the project title.

This project was complementing various on-going projects in the capacity building sector. The donors that participated in the Public Financial Management Reform Program (PUFMARP) included the World Bank, Canada, and the European Union. In addition to the PUFMARP, other capacity building initiatives included the \$23.03 million dollar Economic Management Support (EMS) project, co-financed by the World Bank,

U.K and Government. A sum of US 3.5 million of this loan was earmarked for the design and installation of systems, as well as staff training and logistical support for the Ministry of Finance. A number of donors such as UNDP, DANIDA and EU, provided special assistance of capacity building for desks in MOF responsible for the coordination of their projects.

This report is based on the findings of the mission to Ghana from 7 to 21 January, 2007. The sources of information are based on the information available at the ADB headquarters and the discussions held with the PIU and the various beneficiaries of the project in Ghana. In this regard it is important to note that the mission had the unique experience of not being able to have full access to the files of the project to reconcile with the information in the Bank files and reports from the beneficiary institutions. This was due to the fact that, the anti corruption, Serious Fraud Office had taken all the project files to their custody subject to the completion of their investigations. The PIU also had not prepare a Project Completion Report.

### **Project Objectives and Components**

The project goal was to strengthen the Government's national economic management capacity. The immediate project objectives were:

- To strengthen the capacity of the MOF and related economic organs of Government to formulate economic policy, manage the national debt and monitor the implementation of development programmes and projects.
- To strengthen the capacity of the Ministry of Employment and Social Welfare(MSEW) to effectively engage civil society and permit it to effectively participate in economic development.

The project intended to provide human resources development, systems development, office equipment, vehicles, and project management under the following components:

- Strengthening Aid and Debt Management;
- Strengthening Physical Audits of Government Projects;
- Strengthening Economic Research;
- Strengthening the Civil Society Participation;
- Strengthening the ADB Desk in the Ministry of Finance; and
- Project Management Unit.

## **Project Implementation**

An ADB Preparation / Appraisal mission visited Ghana from 23 March to 6 April 1998. The mission undertook a comprehensive review of the institutional set up of the Ministry of Finance and its related organs in order to determine the requirements for making it more effective to manage the national economy. In addition to that the mission held extensive meetings with the Ministry of Employment and Social Welfare to examine the needs for strengthening Civil Society Institutions. In a nutshell the context and relevance of the project was well analysed and major components of the project were well defined. On a later stage mission completed the project document and the report was made available to the Government for review and comments

## **Effectiveness and Start-Up**

In addition to the general conditions, there were seven other conditions formulated as follows: Prior to the entry into force of the Protocol Agreement, the Recipient shall have:

- i) Provided evidence of having set up a steering Committee;
- ii) Submitted to the fund evidence of the appointment of a Project Manager;
- iii) Submitted evidence of provision of suitable office for the PIU;
- iv) Provided evidence that two special accounts were opened;
- v) Filled all vacancies in the ADB Desk, PIMU, ADMU and Research division with qualified staff;
- vi) Provided an undertaking to fund and continue to finance the recurrent costs of the project after the project completion;
- vii) Appointed two suitably qualified counter part staff to under study the ADMU Resident advisor.

These conditions were necessary and relevant for the smooth implementation of the project and they were not difficult to fulfill. However, there was a delay of 19 months in fulfilling the condition precedent to first disbursement. The appointment of the Project Manager and staff of the PIU as well as the provision of suitable office have taken almost a year. .

In February, 2000, the PIU submitted the work plans to the Steering Committee. The first major procurement activities were initiated. This included among others, the drawing up of equipment list with the necessary specifications. IAPSO submitted catalogues and orders were placed accordingly. By March 2000, all the necessary initial start-up equipment including four vehicles; 3 cross country, 1 saloon, 4 photocopiers and desktop computers for the PIU, ADMU, ADB Desk, PIMU and MESW had been ordered.

The 12 TORs for the various small studies on the capacity building of the two beneficiary ministries were also completed by August 2000 in close consultation with the Bank.

## Modifications

The Bank approved an amendment to the list of goods and services of this project only once during the implementation of this project. An ADB supervision mission visited Ghana from 20 November to 7 December, 2001. The mission learnt that there had been some omissions of relevant Goods and Services within the project and the mandates of some of the beneficiaries have changed. In this context, the Government stressed the need to revise the list of goods and services. The mission advised the Government to forward the request for revision with justification to the Bank for review and approval. The PIU effectively liaised with the various stakeholders through the Steering Committee representatives and ensured that all concerns were articulated and properly addressed to reflect the needs of the units to be assisted under the project. The Government submitted a request for amendment to the categories of expenditure and the Bank approved it. The main justification for the proposal was that more people would be trained for the same amount of money. This amendment to the categories of expenditure created one big local Training component of 1.2 USD. All the external training programs, workshops, study tours were consolidated to one and were given to a Local firm for implementation. In this regard, it may be noted that some of the beneficiaries were not happy with this conversion of the external training to local training. They felt that instead of specialized training topics and longer duration, the local courses were for shorter period and general topics and therefore did not fully satisfy their needs, e.g. ADMU.

## Implementation Schedule

The project was 4 years behind schedule (completion in December 2001) and the last disbursement date was extended thrice. The reasons for this delay include among other, the following:

- Delays in the fulfilment of grant conditions;
- Restructuring of the Ministry of Finance which has become Ministry of Finance and Economic Planning by the new Government which came into power in 2001;
- Restructuring the Ministry of Manpower, Employment and Social Welfare (MESW) which has become Ministry of Manpower, Youth & Employment;
- Lack of familiarity with ADB procurement procedures;
- Poor contract management by the beneficiary. In this regard the major training contract was abrogated by Government and the dispute has been resolved;

The original work plan aimed at completion of the project within the specified time on the provision that all external parameters that had direct bearing on early completion were duly on course. However, in view of the delay in the fulfilment of the grant conditions, the work plan was modified accordingly. Furthermore, in 2001 a new government took over the reigns of Government and restructured some of the ministries. This also resulted in some changes in the organisational structure of the concerned beneficiaries of the grant.

Furthermore, the PIU encountered some difficulties in the procurement of equipments. It had expected that equipment ordered from IAPSO will arrive within 3 months of confirming the orders. However, the Equipment deliveries from IAPSO took over 18 months to arrive. Similarly, the modification of the

categories of expenditure necessitated to undertake major activity for the engagement of a consultant to implement the localised training programs. Original schedules put in the work plan for finalizing the studies by the consultants also had to be rescheduled to take into account the necessary time required to ensure the Bank's procurement procedures for award of contracts were strictly adhered to. These unexpected slippages caused delays in project implementation. .

The project was expected to be implemented in three years from September 1998 but finally closed in December 2005. During implementation it was realized that the Managing Director of C. B. & Associates (Mr. C. B. Arthur) one of the Consortium that won the contract with John Young and Associates used fraudulent credentials when tendering for the project. GOG investigated the matter and informed the Bank in February 2007 that its conclusion is that it was a genuine mistake and would not prosecute. This did not affect implementation because the discovery was made towards end of 2005, closing period of the project. The Bank did not agree with GOG's conclusion and decided that the concerned firm should not be awarded any future Bank funded projects. GOG was informed accordingly.

The PIU determined the contract of the consortium on the grounds that: (i) They did not complete some studies in time (Training Needs Assessment); (ii) the award was based on fraudulent credentials; (iii) the consortium did not field external consultants and did not inform the PIU; and (iv) performance was below expectation. The Bank indicated to the PIU that the recent report of the Steering Committee expressed satisfaction with training delivery and also the project was at the tail end of its activities and terminating it will disrupt the good progress. The PIU unilaterally terminated the contract. The consultants refuted the PIU allegations and claimed that they were only paid 40% of the contract amount whereas they had done 80% of the training. The consultants have not followed up their claim since then.

It may be noted, however, that the PIU and the Government faced some difficulties in meeting the financial reporting requirements of the project. This was because disbursements to contractors and consultants had been slow due sometimes to lack of proper communication between the Bank's disbursement department and the PIU. Often, it was when disbursement requests were made that contract information were entered into the Bank's SAP system, and this could have accounted for much of the delay in disbursement.

Although the project closed in December 2005, the PCR mission was launched in January 2007 and the mission learnt that the PIU is being investigated and project documents were with the Serious Fraud Office. GOG indicated that there were allegations of misappropriation of project funds and investigations have been instituted. The draft PCR was shelved waiting to be updated upon completion of the investigations and submission of the 2005 audit report. GOG agreed to share the results of the investigations with the Bank. GOG informed the Bank in 2009 that the investigations were internal and could not be shared with third parties. The Bank decided to use information collected in January 2007 to finalise the PCR using a new PCR format.

## 2. Key Lessons Learned

Even though the grant was a small grant of UA 2 million dominated by a single component of training, there are a number of lessons that could be drawn from the experience of this project.

### Establishment of Independent Project Implementation Units (PIUs)

The first lesson to be drawn from the experience of this project is that, the Bank should be very selective in establishing independent PIUs outside the ministerial structures of Government. This UA two million grant for the capacity building of the two ministries could have been easily implemented directly by the concerned ministries. It is true that in theory the Executing Agency is the Ministry of Finance which supervises the project through a Steering Committee comprising various institutions; however, in reality the independent PIU was implementing the project. The Project Manager and his staff in the PIU were not employees of the Government and they disappeared with the completion of the project. Hence, the institutional memory about the project implementation issues was lost. The beneficiary institutions had only information pertaining to the provisions of the grant which they received.

### Stand alone small capacity building projects.

The second lesson from this small grant which has taken almost seven years to be completed is that it would have been more cost effective for the Bank to combine grants of this size with other projects the Bank is financing in related sectors to minimise the administrative cost. In addition to that the project would have received more attention in terms of supervision.

### The closure of the project

The third lesson to be drawn from this project is that the Bank should ensure that before the closure of the project that all outstanding issues, disputes and claims have been resolved and settled in consultation with the Government. The borrower should also prepare the project completion report. In the case of this project a number of issues were outstanding. ;(i) The payment dispute between the consultant and the beneficiary of the grant has not been resolved. The consultant was paid only 40% advance of his contract, while he claims that he has completed 80% of the training program before the abrogation of his contract.:(ii) The Government initiated investigations and special audit of the project and did not share the results despite promises in the past.

### Delay in the fulfillment of grant conditions

The fourth lesson to be drawn from this project is that simplified grant conditions do not necessarily lead to quick grant effectiveness. In the case of this project the conditions were simple and easy to fulfill yet there was a 19 month due mainly to the failure of appointing the Project Manager and his staff. The lesson to be

learned is that even simple conditions could delay effectiveness unless there is strong commitment from the Government to implement the project and a rigorous follow up and supervision from the Bank.

### **Procurement of Equipment and Vehicles through IYAPSO**

The fifth lesson from this project is related to the selection of the most appropriate procurement method for certain categories. The procurement arrangement at appraisal required that all vehicles and office equipment should be through IYAPSO. However, there was an 18 months delay in the delivery of the equipment. It was only in 2001 that the Bank approved Government request to procure the office equipment by local shopping. The lesson to be learned from this experience is that local shopping should have been a preferred mode of procurement for such small items like office equipment. The need for back up services is also important for such items as computers and printers.

### **Supervision of training programs**

The sixth lesson to be drawn from this project is that the consulting firms delivering training programs should be closely supervised in terms of the relevance of the topics, the quality of the teaching material, the teams they are bringing to the field and the evaluation of the participants;

### **Recommendations**

In view of the above, it is recommended that:

#### **To the Government:**

- i) Government should ensure proper transfer of documents and equipment from the PIU to the Ministry of Finance. The records of the project should be kept safely until the project is completed and all outstanding issues are settled.
- ii) Government should share with the Bank the findings of the investigations of the Special Audit and Serious Fraud Office;
- iii) Government to take the necessary steps for the skills upgrading of the staff trained under the project, notably those pertaining to basic skills such as computer unit, report writing, data management etc.
- iv) Government should give further training opportunities to more technical staff in subjects such as financial planning, domestic debt management, and economic projections.
- v) Government should ensure implementation of the recommendation from the studies on Civil Society Participation in Development.

**To the Bank:**

- i) The Bank should audit the project and ensure that all outstanding claims and payment disputes between the consultant and the beneficiary are settled.
- ii) The Bank should continue supporting the ADB Desk and look for ways and means of including a component to that effect in other Bank financed project.
- iii) The Bank should closely coordinate and harmonize its intervention with bilateral and multilateral donors involved in the capacity building sector.