



PROJECT: GHANA INSTITUTIONAL SUPPORT PROJECT TO OVERSIGHT AND PRIVATE SECTOR DEVELOPMENT INSTITUTIONS (GISP)

COUNTRY: GHANA

PROJECT APPRAISAL REPORT

May 2012

Appraisal Team	Team Leader	Tilahun TEMESGEN, Principal PSD Specialist, OSGE.1
	Team Members	Eline OKUDZETO, Macro-economist, GHFO Stephen OLANREWAJU, Consultant, OSGE.0 Jonathan NYAMUKAPA, Regional PFM Coordinator, GHFO Samuel BRUCE, Consultant, GHFO Irene BREFO-SEKYERE, Procurement Officer, GHFO Daniel OSEI-BOAKYE, Procurement Assistant, GHFO Bekale OLLAME, Operations Assistant, OSGE.1 Muriel KEI-BOGUINARD, Principal Legal Counsel, GECL Nanette DERBY, Private Sector Specialist, GHFO
	Sector Director	Isaac Lobe NDOUMBE, OSGE
	Regional Director	Ferdinan BAKOUP, OIC, ORWA
	Division Manager	Jean-Luc BERNASCONI, OSGE.1
	Resident Representative	Marie-Laure AKIN-OLUGBADE, GHFO
	Peer Reviewers	Adam AMOUMOUN, OSGE.2
Kalayu GEBRE-SELASSIE, OSGE.1		
Mothobi MATILA, OSGE.2		
Richard DOFFONSOU, ORWA		
Ahmed Ismail MAHDI, OSGE.1		
Victor NDISALE, OSGE.2		
Toussaint HOUENINVO, ORWB		

TABLE OF CONTENTS

Acronyms and Abbreviations	i
Currency Equivalents	ii
Fiscal Year	ii
Weights and Measurement	ii
Grant's Information	iii
Project Summary	iv
Results-based Logical Framework	v
Project Timeframe	viii
I- STRATEGIC THRUST AND RATIONALE.....	1
1.1. Project Linkages with Country Strategy and Objectives	1
1.2. Rationale for Bank's Involvement	1
1.3. Donor Coordination	5
II- PROJECT DESCRIPTION.....	6
2.1. Project Objectives and Components	6
2.2. Technical Solution Retained and other Alternatives Explored	9
2.3. Project Type.....	9
2.4. Project Cost and Financing Arrangements	9
2.5. Project's Target Area and Beneficiaries	11
2.6 Participatory Process for Project Identification, Design and Implementation	12
2.7. Bank Group Experience, and Lessons Reflected in Project Design	12
2.8. Key Performance Indicators	13
III- PROJECT FEASIBILITY	13
3.1 Environmental and Social Impacts	13
IV- IMPLEMENTATION	14
4.1. Implementation Arrangements	14
4.2. Monitoring	15
4.3. Governance.....	16
4.4 Sustainability.....	16
4.5. Risk Management.....	16
4.6. Knowledge Building	17
V- LEGAL INSTRUMENTS AND AUTHORITY	17
VI- RECOMMENDATION	18

APPENDIXES

- Appendix I. Ghana Comparative Socio-Economic Indicators
- Appendix II. Ghana: ADB's portfolio in the country as of 31 July 2011
- Appendix III. Projects by Other DPs in the country: PFM Capacity Building
- Appendix IV. Map of Ghana

LIST OF TABLES

Table 1.1 Aid inflows and %age share by development partner (2010)
Table 2.1 GISP: Project components and sub-components
Table 2.2 Project cost estimates by component
Table 2.3 Sources of financing
Table 2.4 Project cost by category of expenditure
Table 2.5 Expenditure schedule by component and year
Table 2.6 Lessons learnt from previous ISPs and analytical works.
Table 3.1 Important Milestones in GISP implementation

LIST OF TECHNICAL ANNEXES

- A. Country Development Agenda, Sector Brief and Donor Coordination matrix
 - A.1 Country Development Agenda
 - A.2 Sector Review: PFM Performance Scores and Business Enabling Environment
 - A.3 Donor Coordination Matrix

- B. Project Description, cost and other key aspects of the Project
 - B.1 Project Description
 - B.2 Project Costs
 - B.3 Implementation/Institutional Arrangements
 - B.4 Financial Management and Disbursement Arrangements
 - B.5 Procurement Arrangement (To be provided)
 - B.6 Audit Arrangement
 - B.7 Environmental and Social Analysis

ACRONYMS AND ABBREVIATIONS

ADF	African Development Fund
AfDB	African Development Bank
BDS	Business Development Services
BPEMS	Budget and Public Expenditure Management System
CFAA	Country Financial Accountability Assessment
CPAR	Country Procurement Assessment Review
CSP	Country Strategy paper
FSD	Financial Services Department
GAS	Ghana Audit Services
GDP	Gross Domestic Product
GIFMIS	Ghana Integrated Financial Management Information System
GoG	Government of Ghana
GSE	Ghana Stock Exchange
IAA	Internal Audit Agency
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
ISP	Institutional Support Program
MDBS	Multi-Donor Budget Support
MDAS	Ministries, Departments and Agencies
MMDAS	Metropolitan, Municipal and District Assemblies
MoFEP	Ministry of Finance and Economic Planning
NBSSI	National Bureau of Small Scale Industries
NTR	Non -Tax Revenue
NDPC	National Development Planning Commission
PBO	Policy Based Operations
PCR	Project Completion Report
PEF	Private Enterprise Foundation
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PIU	Project Implementation Unit
PPA	Public Procurement Authority
PRBESP	Poverty Reduction and Business Enabling Support Programme
PPD	Public-Private Dialogue
PRSL	Poverty Reduction Support Loan
PSDS	Private Sector Development Strategy
PUFMARP	Public Financial Management Reform Program
SMES	Small and Medium Enterprises
TA	Technical Assistance
UA	Unit of Account
WB	World Bank

Currency Equivalents

As of January 2012

Ghana Currency Unit	=	Ghana Cedi (GHC)
1 Unit of Account (UA)	=	GHC 2.58
1 Unit of Account (UA)	=	USD 1.55
1 Unit of Account (UA)	=	EUR 1.18
1 Unit of Account (UA)	=	GBP 0.98
1 USD	=	GHC 1.67

Fiscal Year

1 January – December 31

Weights and Measures

1 metric tonne	=	2204 pounds (lbs)
1 kilogramme (kg)	=	2.200 lbs
1 meter (m)	=	3.28 feet (ft)
1 millimeter (mm)	=	0.03937 inch (“)
1 kilometer (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

Grant Information

Client's information

BENEFICIARY: Republic of Ghana

EXECUTING AGENCY: Ministry of Finance and Economic Planning (MoFEP)

Financing plan

Source	Amount (UA)	Instrument
ADF XII	9.59 million	Grant
Government	1.07 million	
TOTAL COST	10.66 million	

Timeframe - Main Milestones (expected)

Preparation	April 2011
Appraisal	January 2012
Negotiation	June 2012
Project approval	July 2012
Effectiveness	October 2012
Mid-term Review	December 2014
Project Completion	October 2016
Last Disbursement	October 2016

Project Summary

Paragraph	Topics covered
Project Overview	<p><u>Project Name</u>: Ghana Institutional Support Project to Oversight and Private Sector Development Institutions (GISP)</p> <p><u>Geographic Scope</u>: Entire Country</p> <p><u>Project Objectives and Expected Outputs</u>: The main objective of the project is to promote competitiveness and private sector led inclusive growth through improved public resources management and enhanced competitiveness of the private sector. The expected results of the project include: (i) strengthened non-tax revenue mobilization framework; (ii) improved aid coordination and project management system; (iii) modern internal audit function that can work in synergy with the external audit function; (iv) enhanced public procurement system; (v) enhanced capacity of the Private Enterprise Foundation (PEF), National Board of Small Scale Industries (NBSSI) and Ghana Stock Exchange (GSE) to support small and medium enterprises (SMEs); and (vi) enhanced capacity in financial sector policy formulation.</p> <p><u>Implementation Framework</u>: 2012 - 2015</p> <p><u>Project Cost</u>: UA 10.66 million (of which UA 9.59 million is AfDB grant and UA 1.07 million is government contribution).</p> <p><u>Project direct beneficiaries</u>: The direct project beneficiaries are institutions involved in public financial management and private sector development namely: Ministry of Finance and Economic Planning (MoFEP), Public Procurement Authority (PPA), Internal Audit Agency (IAA), Ghana Audit Services (GAS), Parliamentary Service, Ghana Stock Exchange (GSE), Private Enterprise Foundation (PEF) and National Board of Small Scale Industries (NBSSI).</p>
Needs Assessment	<p>The rationale for the project can be put in the broader context of support for Ghana's growth and poverty reduction efforts, accompanied by improved Public Finance Management (PFM) systems and business enabling environment. The project is also justified in view of its complementarity with the recently approved and on-going Poverty Reduction and Business Environment Support Programme (PRBESP) – a budget support operation (BSO) to Ghana to address challenges in the areas of PFM and the business enabling environment. These challenges include: inadequate domestic resource mobilization; lack of sufficient capacity in audit, public procurement, and other oversight services; limited access to long term credit by SMEs; and the need to continue to strengthen the advocacy role of the private sector and enhance entrepreneurial skills of SMEs.</p>
Bank's Added Value	<p>The proposed institutional support project will complement the implementation of the PRBESP and build on previous operations and programs financed by the Bank and other Development Partners (DPs). Through its previous four budget support and two Institutional Support Projects (ISPs), the Bank has acquired substantial knowledge and experience on challenges facing Ghana's economy. The Bank's field presence is also an important asset that allows it to have full engagement in the country's development agenda.</p>
Knowledge Management	<p>The project will contribute further to institutional development and knowledge building in Ghana, particularly in the areas of public financial management and business environment (particularly domestic resource mobilization, public procurement, internal and external audit oversight functions and private sector development). Knowledge will be gained through skills transfer from advisors and consultants to the staff of beneficiary institutions and through the various data and information platforms and manuals to the users, as well as through the various training courses and workshops. Knowledge gained from this project will also be captured through careful monitoring and evaluation of expected outputs and outcomes, supervision missions, and the Project Completion Report.</p>

VII. Logical Framework Based on Anticipated Results

Country and project name: GHANA INSTITUTIONAL SUPPORT PROJECT TO OVERSIGHT AND PRIVATE SECTOR DEVELOPMENT INSTITUTIONS (GISP)

Purpose of the project: To promote an enabling environment for private sector led inclusive growth and poverty reduction.

RESULTS CHAIN	PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES
	Indicator (including CSI)	Baseline	Target		
IMPACT Inclusive private sector led economic growth and poverty reduction.	<ul style="list-style-type: none"> GDP growth rate Domestic Credit provided by the Banking Sector (% of GDP) Number of SMEs listed on the GSE alternative SMEs market 	<ul style="list-style-type: none"> 6.5% in 2009 28.7% in 2009 7 in 2012 	<ul style="list-style-type: none"> At least 8% over 2012-2015 30% over 2012-2015 17 by 2015 	<ul style="list-style-type: none"> WDI database IMF Global Competitiveness report GSE report 	<p>Risk 1: Lack of trained staff and institutional capacity to follow up implementation of the proposed operation (within the identified institutions and ministries as well as MoFEP); particularly, with the commencement of oil production, the current problems in the areas of public procurement and audits may be exacerbated unless quick actions are taken.</p> <p>Mitigation: Ensuring strong buy-in and ownership of day to day follow-up of the implementation by staff assigned to coordinate in each institution and MoFEP; clearly laid out follow-up and progress reporting mechanism to be designed. Multi-dimensional and simultaneous capacity building strategy with strict follow-up and quick disbursing funds will ensure that the institutional strengthening will start as soon as possible. Also the recruitment of additional staff to beef up the capacity of AfDB Unit is an additional mitigating measure.</p>
OUTCOMES Outcome 1 Enhanced capacity, accountability and integrity in the management and mobilization of public resources Outcome 2 Improved Business Enabling Environment and private sector competitiveness	<ul style="list-style-type: none"> Proportion of public procurement that is open and competitive by value and transaction Proportion of non-tax revenue collected as a share of GDP Effectiveness of internal audits (PI-21) Scrutiny of audit reports completed by Legislature on a timely basis (PI-28) Global Competitiveness Score 	<ul style="list-style-type: none"> 25% in 2007, subject to open competitive bidding on transaction 2.2% (in 2011) PI-21=D+ in 2009 PI-28=D+ in 2009 3.6 (2010-11) 	<ul style="list-style-type: none"> 40% by 2015 3.5% (in 2015) PI-21= C by 2015 PI-28= C+ by 2015 3.8 (by 2014-15) 	<ul style="list-style-type: none"> Global Competitiveness Reports IMF Staff Reports Doing Business Report PEFA Reports 	

Component 1 Strengthening domestic revenue mobilization, aid coordination and integrity of public resource management

Output 1.1. Strengthened non-tax revenue/domestic resource mobilization system

- % of non-tax revenue collected as a share of total revenue

- 10% of total revenue in 2010

- 20% of total revenue comes from non-tax revenue sources in 2015

Output 1.2. Improved aid coordination system

- Web-based database management system for donor support

- Excel based donor database system manually updated

- Web-based donor database management system by 2014

Output 1.3 Public procurement system strengthened

- Number of PPA and procurement entities staff trained through project

- NA

- 50 trained by 2015

Output 1.4. Strengthened audit functions

- % of public accounts internally audited
- Practice guidance and training manuals for performance auditing
- Number of internal audit units staff trained in performance auditing
- Number of external audit staff trained

- <60% in 2010
- No practice guides and practice manuals (2011)
- None (2011)

- 75% of public accounts internally audited by 2015
- Practice guides and training manuals for performance auditing developed (2015)
- 500 personnel from IAUs trained

Output 1.5: Enhanced parliamentary services oversight functions

- Number of research staff and committee clerks trained in evidence based research, data management and report writing

- NA

- At least 80 staff, clerks and research staff trained by 2015

- Existence of budget office at the parliament

- Budget law enacting in process, but no budget office (2011)

- Budget office established to provide in-house capacity for evidence-based research

- IMF reports
- Joint donor PAF matrix
- Bank Of Ghana Reports
- Project implementation progress report
- IAA Annual Report

Risk 2: Involvement of a number of institutions in the project may create a coordination problem for MoFEP and supervision and follow-up may be complicated. **Mitigation:** This coordination risk will be mitigated by the constitution of the technical coordinating committee composed of focal points from beneficiary institutions, who will work closely with the AfDB Unit in MoFEP on the implementation of the project. The technical committee will have responsibility for the preparation of the work plan, procurement plan, disbursement applications, quarterly progress reports to be consolidated by the AfDB Unit and resolution of problems that may emerge in the process of project implementation. The technical committee will meet regularly to review progress in project implementation.

Risk 3: Delays in the preparation and submission of budgets and annual work plans for consolidation into a project-wide budget and work plan may have an adverse impact on overall project implementation.

Mitigation: The project office will prepare a consolidated annual budget based on activities within components and beneficiary institutions. The consolidated work plan & budget for the following year will be submitted to the Bank

<p>Component 2: Strengthening capacity for private sector development and competitiveness</p> <p><u>Output 2.1</u> Private sector advocacy role of PEF in policy formulation & implementation strengthened</p> <p><u>Output 2.2</u> Improved capacity of the private sector, and access to business development services for SMEs</p> <p><u>Output 2.3</u> Improved capacity of FSD in financial sector policies and strategies</p> <p><u>Output 2.4</u> Improved SMEs listing on GSE and their ability to access long term capital</p>	<ul style="list-style-type: none"> • Existence of web-based data and policy research platform 	<ul style="list-style-type: none"> • No efficient data and policy research platform in place (2011) 	<ul style="list-style-type: none"> • Web-based data and policy research platform established by (2015) 	<ul style="list-style-type: none"> • Annual reports of PSDS Board • Annual reports of PEF • NBSSI reports • GSE reports • Quarterly report of the proposed operation by the beneficiary institutions • Annual project status and implementation reports 	<p>by November each year for review & approval.</p>
	<ul style="list-style-type: none"> • Number of SME staff trained in business planning and entrepreneurship • % of women out of total trainees 	<ul style="list-style-type: none"> • < 1000 trained over 2010-11 • of which < 10% were women- 2010 	<ul style="list-style-type: none"> • At least 4300 SMEs staff trained in business planning and entrepreneurship • At least 30% of trainees from SMEs staff are women by 2015 		
<p>Component 3: Project Management Support</p> <p><u>Output 3.1:</u> Enhanced project coordination, monitoring and evaluation capacity</p>	<ul style="list-style-type: none"> • Number of FSD staff trained in financial economies and related programs through project • Capacity Building and training for SMEs on access to Long term Capital and listing in the stock market. 	<ul style="list-style-type: none"> • None in 2011 • seven in 2011 	<ul style="list-style-type: none"> • At least 10 FSD staff participate n financial economics related trainings and study tours by 2015 • At least 10 additional SMEs identified and provided with training and capacity to be listed in alternative market on the GSE by 2015 		
	<ul style="list-style-type: none"> • Quarterly progress reports • Annual audit reports 	<ul style="list-style-type: none"> • NA • NA 	<ul style="list-style-type: none"> • Quarterly progress reports submitted within eight weeks after end of each quarter • Annual audit reports submitted within six months of the project financial year end. 		

KEY ACTIVITIES	COMPONENTS	INPUTS
	<p><u>ACTIVITIES:</u> provide technical assistance and capacity building training to staff of the identified institutions and services in critical skills; IT data and research platforms, manuals and office equipment.</p> <ol style="list-style-type: none"> 1. Strengthening domestic resource mobilization, aid coordination and integrity of public resource management 2. Strengthening Capacity for Private Sector Development and competitiveness 3. Project Management Support 	<p><u>INPUTS</u></p> <ul style="list-style-type: none"> • ADF Grant = UA 9.59 million • Government contribution = UA 1.07 million • Other donors (parallel contributions) = NA • Missions: Appraisal, supervision, policy dialogue, MTR and donor coordination

Project Implementation Schedule

GHANA: INSTITUTIONAL SUPPORT PROJECT TO OVERSIGHT AND PRIVATE SECTOR DEVELOPMENT INSTITUTIONS (GISP)

Activities/Years	2012		2013				2014				2015				2016				2017	Action by	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q2		
Project Processing and Management																					
Grant approval																					AfDB
Signing Protocol of Grant Agreement																					AfDB & GoG
Project Effectiveness and Launching																					AfDB & GoG
Supervision and Monitoring																					
Mid-term Review																					
Project Completion Report																					
Component 1																					
A. Procurement of Good																					GoG
B. Training																					GoG
C. Technical Assistance																					GoG/ AfDB
Component 2:																					
A. Procurement of Goods																					GoG
B. Training																					GoG
C. Technical Assistance																					GoG/AfDB
Component 3:																					
A. Procurement of Goods																					GoG
B. Training																					GoG
C. Technical Assistance																					GoG/AfDB

REPORT AND RECOMMENDATION OF MANAGEMENT ON A PROPOSED GRANT TO GHANA INSTITUTIONAL SUPPORT PROJECT TO OVERSIGHT AND PRIVATE SECTOR DEVELOPMENT INSTITUTIONS (GISP)

Management submits the following Report and Recommendation on a proposed Grant for UA 9.59 million to the Republic of Ghana under the ADF-12 allocation to finance the Ghana Institutional Support Project to Oversight and Private Sector Development Institutions (GISP).

I. STRATEGIC THRUST AND RATIONALE

1.1 Project Linkages with Country Strategy and Objectives

1.1.1 **The proposed project is well aligned with Ghana's country strategy and development objectives**, which are articulated in two strategic documents namely, Ghana's Shared Growth and Development Agenda (GSGDA, 2010-2013) and the Private Sector Development Strategy (PSDS II), both of which were prepared through consultations with stakeholders including the country's DPs. The GSGDA has seven pillars: (i) ensuring and sustaining macroeconomic stability; (ii) enhanced competitiveness of Ghana's private sector; (iii) accelerated agricultural modernization and sustainable natural resource management; (iv) oil and gas development; (v) infrastructure and human settlements development; (vi) human development, productivity and employment; and (vii) transparent and accountable governance. The Private Sector Development Strategy II, on the other hand, focuses on enhancing the business enabling environment (BEE) through removing barriers to doing business, addressing infrastructural constraints, and improving contract enforcement and land registration. The project is also well aligned with the two pillars of the recently approved Bank's CSP for Ghana, namely: (i) improving productivity in Ghanaian enterprises and, (ii) supporting economic and structural reforms aimed at improving the business environment.

1.1.2 **Both GSGDA and PSDS II documents underpin the Bank's 2012-2016 Country Strategy Paper (CSP) for Ghana** whose two strategic pillars are: (i) improving productivity in Ghanaian enterprises and in particular in the micro, small and medium-sized agribusinesses, and (ii) supporting economic and structural reforms aimed at improving the business environment. The GISP is therefore consistent with pillars (ii), (vi) and (vii) of the GSGDA and all the focus areas of PSDS II. It is also consistent with the two strategic pillars of the CSP, particularly with the second focus area, which emphasizes provision of skills to improve opportunities for employment and self-employment, particularly for women and youth, as well as strengthening the capacity of oversight and management institutions. It is also clearly in line with two of the pillars of the Bank's Medium Term Strategy (2008-2012) and the major focus areas of the Long-Term Strategy (2013-2022) currently under preparation, namely private sector development and governance, as well as the Bank's Governance Strategic Orientations and Action Plan (GAP) 2008-2012, focusing on Public Financial Management (PFM) and BEE. The project also fits into GoG's recently launched industrial policy, with a focus on the sustained development of the informal micro, small and medium enterprises sub-sector as an integral part of the wider strategy to strengthen the private sector.

1.2. Rationale for Bank's Involvement

1.2.1 **The rationale for the Bank's intervention lies in the broader context of supporting Ghana's growth and poverty reduction efforts.** According to the new CSP, a number of capacity challenges have limited the development of Ghana's economy. Lying at the heart of these capacity challenges are a shortage of the needed skills, technology, innovations, governance, and institutional reforms. The level and quality of skills which Ghana produces will be critical factors in its ability to take advantage of new opportunities (such as those emerging in the country's nascent oil and gas industry) and to achieve a competitive edge in a rapidly changing environment. The proposed ISP represents a continuation of the Bank's support for Ghana's development and poverty reduction efforts, especially in the areas of PFM and private sector development process.

1.2.2 There have been significant improvements to Ghana's PFM system but a number of challenges remain. The 2009 Public Expenditure and Financial Accountability (PEFA) assessment for Ghana indicated satisfactory improvements in the areas of timeliness in financial reporting, external audit and compliance with international standards. However the PEFA assessment recorded D/D+ in a number of indicators including: stock and monitoring of expenditure payment arrears, transparency of inter-governmental fiscal relations, oversight of aggregate fiscal risk from other public sector entities, effectiveness of internal audits, as well as legislative scrutiny of the annual budget laws and audit reports.

1.2.3 Weaknesses have also been identified in the areas of domestic resource mobilization, aid coordination and public procurement. In the area of domestic resource mobilization, progress has been made in the area of tax revenue, with the tax revenue/GDP ratio rising from 12.6% in 2010 to 14.1% in 2011, though this figure still is low against the WAEMU (of which Ghana is a member) benchmark of 17% of GDP. However, the existing non-tax revenue (NTR) mobilization framework remains very weak. Non-Tax Revenue represents only between 5% -10% of total revenue over the last few years in Ghana and its contribution varies significantly from year to year. In 2009, NTR collection decreased by 2.2% compared with its 2008 level, and was about 20% below the year's target. To enhance NTR, a Non-Tax Revenue Unit (NTRU) was created within MoFEP in 2002. The latter provides oversight for NTR mobilization through monitoring and coordination of NTR activities of MDAs. However, an inadequate legal, institutional and regulatory framework continues to constrain the growth and contribution of NTR. Also, the NTRU currently is weak in terms of staff capacity and logistics.

1.2.4 Aid coordination is handled by the External Economic Relations Division (EERD) of MoFEP. However, the EERD currently captures data relating to all ongoing support from Development Partners (DPs) using only an excel sheet and figures are updated manually. The evolving nature of information requirements for policy in the area of aid coordination necessitates a more sophisticated and versatile automated database system. With regards to coordination of Budget Support Operations (BSOs), the recently concluded Multi Donors Budget Support (MDBS) partners retreat (January 2012) also stressed the need for improved monitoring and evaluation of BSOs in Ghana through strengthened capacity of the MDBS Secretariat.

1.2.5 There are observable weaknesses in the capacity of Ghana' integrity and oversight institutions. While a recent assessment (February 2011) indicates the prevalence of open competition in the Public Procurement system, it was also concluded that a lack of capacity in the procurement units of MDAs hinders the efficiency of public procurement. Over the years, the Public Procurement Authority (PPA) has implemented several reforms to streamline procurement and bring the legal framework to international standards. There are also weaknesses in the internal control system. For example, 2009 PEFA scores for effectiveness of internal controls for non-salary expenditure (D+) and effectiveness of internal audit (D+) were poor. The implementation of the 2003 Internal Audit Agency (IAA) Act has also been proceeding slowly due to a shortage of suitable professional staff. The re-orientation of the internal audit function, as outlined in the Act, is hampered by the retention of traditional pre-audit functions in the Budget and Public Expenditure Management System (BPEMS) business processes. To improve the situation, the GoG is in the process of replacing the BPEMS with GIFMIS (Ghana Integrated Financial Management Information System). In preparation for the roll out of the new system, the IAA is in the process of improving its operational efficiency and staff capacity.

1.2.6 Oversight and follow up on audit recommendations remain weak. To further enhance the efficiency of Ghana Audit Service (GAS), the Audit Sector Working Group (AWG) has identified a number of priorities for improvement to be fully funded by a number of donors (CIDA, DFID, DANIDA, KfW, GIZ and EU), possibly under a pooled-fund arrangement (see Annex B.2 for details). However, while details are being worked out, and based on a strong request from the Office of the AG, this operation supports in the provision of equipment and logistics as well as technical assistance, capacity building and training in the area of oil and gas audits which is among the most important

priorities. In addition, the GISP intervention in the area of oversight functions will also focus on support to the Parliament and ensure complementarity to the GAS oversight functions.

1.2.7 Inadequate institutional, technical and human resource capacity of the Parliamentary Service limits the quality of support it provides to Parliament. Working behind the scene to support the Parliament and its committees, is a workforce that constitutes the Parliamentary Service headed by the Clerk of Parliament. Committee Clerks and Research Officers have inadequate capacity in preparing analytical papers, relevant data, policy briefs and reports, which are critical to the oversight functions of Parliament. Consequently, Parliamentary Committees rely largely on information provided by MDAs in performing the budget review, thus defeating the purpose of Parliament oversight of the MDAs. To strengthen the role of Parliament, Ghana is in the process of enacting a Budget Law which will enable it to establish a Budget Office and Parliamentary Institute, so as to be able to adequately develop in-house capacity to support effective parliamentary functions. It will also enhance the analytical capacity of Committee Clerks and Research Officers in preparing evidence-based briefs and research papers and the capacity of the Members of Parliament (MPs) themselves to enhance their understanding of issues and equip them to more effectively engage the Executive in their oversight functions.

1.2.8 The private sector in Ghana is dominated by micro, small and medium enterprises (MSMEs), and is faced with a number of structural and administrative constraints at the policy and institutional level. As a result, Ghanaian enterprises are generally less productive and less competitive than their counterparts in other developing countries, including those in Africa. The median firm in Ghana produces approximately US\$1,000 of value added per worker compared to firms in Kenya and Swaziland which produce between 6 and 7 times as much and firms in South Africa which produce over 25 times as much. Ghana's ranking of 114 out of 133 in the 2010 Global Competitiveness report provides an indication of the seriousness of its productivity and competitiveness challenges. The reports also shows relative weaknesses in the related areas of technology, innovation, education and labour market efficiency, suggesting that the lack of competitiveness of Ghanaian firms may be linked to inadequate skills and low productivity.

1.2.9 Private sector development continues to be at the forefront of Ghana's development agenda so as to enhance its competitiveness, growth and efficiency with a focus on improving productivity. The Government's approach to enhancing the business environment includes removing administrative barriers to reduce the costs of doing business, addressing infrastructure constraints, as well as improving contract enforcement and land registration. Over the past five years, these objectives were channeled through the National Medium Term Private Sector Development Strategy (PSDS 1). There have been some encouraging improvements in Ghana's Business Environment as a result. A number of key indicators assessed by the World Bank Doing Business Report registered improvements including substantial reduction in days to start a business and improved procedures for exports and imports. According to the most recent Doing Business Reports time required for business registration declined from 129 days in 2002 to just 33 days in 2009, while access to credit also has improved (see Annex A.2 for details). However, the country needs to do more to further streamline and facilitate access to finance, business registration and competitiveness to increase the number of new enterprises, to deal with the high prevalence of informality in the country and to help existing companies to become more competitive and grow by building their capacity to access and use BDSs. These efforts will further improve performance in tax revenue collection and overall domestic resources mobilization.

1.2.10 The role of the financial sector in contributing to a competitive private sector is also acknowledged to be equally important. There have been significant developments in the regulatory environment of the financial sector in Ghana: 18 new laws were passed under Financial Sector Strategic Plan I (FINSSP I) which contained 98 recommendations for reforming and strengthening the financial sector – and 80 % of these recommendations have been implemented. Also, credit to the private sector (as a share of total domestic credit) improved substantially, reaching more than 80% in 2009, up from around 47% in 2002. However, the country's financial sector has been suffering from massive non-performing loans (NPLs) and thus limiting its ability to extend new credit, particularly long term financing, to the private sector as much as needed. NPLs stood at 18.7% as at the end of

October 2010, though it went down to 14% at end of December 2011. In particular, SMEs which constitute about 85% of Ghana's private sector lack access to long term capital. Most of them are undercapitalized, lack collateral properties and continue to utilize short-term funds and non-bank sources for expansion and re-tooling.

1.2.11 It is necessary to step up domestic resource mobilization from all sources for private sector investment, especially development of SMEs, in view of the critical importance of access to finance for private sector development in Ghana. In this context having the right policies and strategies in place is essential. To this end, the Financial Sector Division (FSD) of MoFEP was established to play a critical role in driving financial sector policies and strategies and thereby help enhance the mobilization of domestic resources from the country's financial system for private sector development. However, FSD has limited in-house analytical and research capability to back up financial sector policy and strategy formulation, thus constraining the division's capacity to drive financial sector policies and strategies as expected. The Ghana Stock Exchange (GSE) is another important institution set up for mobilizing long-term capital for private sector development, but due to stringent conditions, it is difficult for SMEs to get listed on the market. To address this constraint, the creation of an alternative market for SMEs, with simplified rules and procedures is a key part of the GSE's medium to long term strategy. Therefore, by enhancing FSD's capacity to drive financial sector policies and strategies and supporting GSE's effort in setting up the alternative market through the proposed GISP would contribute to boosting Ghana's private sector development.

1.2.12 Two major institutions, the Private Enterprise Foundation (PEF) and National Board for Small Scale Industries (NBSSI), have been playing an active role in shaping the country's private sector development strategy and voicing the private sector's views. The PEF is a private sector advocacy group created in 1994. Its advocacy role and services to its members are limited by human capacity constraints and lack of a web-based IT platform to house critical business data and information for use by its members and to facilitate policy research. The NBSSI was created with a mandate to foster the growth of small and medium enterprises (SMEs) in Ghana, and creating a more vibrant entrepreneurial society, thereby contributing to an enabling environment for enterprise growth. The NBSSI is working to improve competitiveness of SMEs by facilitating provision of business development programs and integrated support services. Ghanaian SMEs lack entrepreneurial capacity and skills in basic accounting, market access and business development. They also lack the capacity to prepare sound prospectus and business plans, acceptable to commercial banks to secure loans and to the GSE for listing on its market to mobilize long-term capital. Building the capacity of the NBSSI to provide more effective business development services (BDS) as well as trainings to entrepreneurs and staff of SMEs will contribute to the nation's efforts to create employment opportunities and reduce poverty.

1.2.13 Finally, the GISP can be justified in the specific context of its complementarity with the ongoing PRBESP – the BSO and support from other DPs. Significant resources flow directly into the government's budget in the form of BSOs from the Bank as well as from the other ten multi-donor budget support (MDBS) partners. The complementarity with the BSO is clear because both the PRBESP and the GISP focus on the same thematic areas, namely, strengthening of PFM systems and improving private sector development and competitiveness in Ghana. This is consistent with one of the important lessons learnt from previous Bank operations in Ghana and other countries, which underscore the need to support BSOs with ISPs and strengthen the synergy and complementarity between the two. The recently concluded MDBS partners' retreat in Ghana (January 2012) also stressed the need to improve monitoring and evaluation of BSOs through the strengthening of the capacity of the MDBS Secretariat. The proposed operation therefore also ensures such complementarity with other operations and helps build the capacity of the MDBS secretariat in coordinating the BSOs, along with the AfDB unit which coordinates the Bank's portfolio in Ghana. An improved capacity in Donor coordination, coupled with enhanced efficiency in public procurement, audit services among others, will have a spill-over effect in terms of improved implementation efficiency in other Bank financed projects including investment operations by the Private Sector Department. The operation will also complement and builds upon the Bank's Rural Enterprises Project (REP II), which has resulted in the

establishment of small businesses, and has generated employment and increased incomes in 53 participating districts countrywide.

1.3. Donor Coordination

1.3.1. Donor coordination in Ghana is very vibrant and is an integral part of Donor and GoG relations. The GoG puts a great deal of emphasis on mutual commitment to the implementation of the Paris Declaration (PD) and holds DPs responsible for honoring their commitments under the PD. The Aid Policy approved in 2010 formalizes Ghana’s Development Coordination Architecture and calls for more alignment of donor programmes with country systems. There are four levels of donor coordination in Ghana: the Heads of Agencies, Heads of Cooperation, the Multi Donor Budget support and 14 Sector Working Groups (SWG). Donor dialogue at the SWG level is jointly led by development partners (DPs) and Government and aims at implementing the commitments under the PD and Accra Agenda for Action (AAA) as well as Ghana’s Aid Policy. The Bank, through GHFO participates in aid coordination and policy dialogue through the monthly meetings and activities of the 14 Sector Working Groups (SWGs) in which it is a member. GHFO is co-leading the Gender Working Group, with the ultimate goal of assuming full leadership in 2012 as well as the Chairmanship of the committee of DPs for the first time in 2012. . The Aid policy identifies General Budget Support as the preferred form of aid and eleven partners currently form the MDDBS group providing budget support to Ghana; while Project aid is to be considered based on its sustainability and potential to achieve national development priorities. Development Partners are currently in the process of assessing Ghana’s country systems to determine the extent to which they meet international standards. The AfDB, along with the World Bank and USAID, is among the largest of traditional donors to Ghana, contributing close to 15% of the aid inflows to the country in 2012. The following table summarizes the share of aid inflows to Ghana from the major traditional development partners during the year 2012.

Table 1.1: Aid inflows and %age share by development partner (2012) ¹

Donors	%
AfDB	14.9%
World Bank	28.4%
EU	6.4%
UK	4.8%
USAID	19.8%
AFD	4.2%
Denmark	3.3%
Germany	1.8%
Japan	1.9%
Canada	4.0%
Netherlands	8.8%
UN System	1.7%

Total from Traditional Donors
USD 8600m

Percent to Governance Sector
20.80%

Percent towards enhancing private sector competitiveness
8.20%

Source: MOFEP's estimates of 2012 projections from Donor funded projects

1.3.2. The GISP appraisal team has discussed the project with the relevant DPs and SWGs to ensure that the project is complementary to, and does not duplicate activities of the other MDDBS members. It

¹ If all aid inflows from the traditional and non-traditional development partners are taken together, it is estimated that the BRICS contribute about 49% of total foreign aid to Ghana (see Annex A.3).

should be noted that apart from the traditional donors indicated above, non-traditional development partners such as China, India and Brazil (BRICS) are increasingly becoming active in Ghana, particularly in infrastructure and energy, with significant financing packages that are gradually changing the aid architecture. However the latter are not yet fully engaged in donor coordination efforts. Donor commitments by sector and contributions to PFM capacity building effort are detailed in Annex A.3.

II. PROJECT DESCRIPTION

2.1 *Project Objectives and Components*

2.1.1 **Project Objectives:** The overall objective of the project is to promote private sector led inclusive growth through improved public resources management and enhanced competitiveness of the private sector. The specific objective is to strengthen the capacity of resource mobilization, integrity and oversight institutions, as well as private sector development institutions. The project therefore helps to create an enabling environment for inclusive economic growth and poverty reduction in Ghana through more credible PFM systems and enhanced capacity for private sector development and competitiveness. Linking the capacity strengthening of PFM and private sector support institutions will contribute to private sector-led growth, which is the overarching goal of Ghana's development agenda. The operation is also well aligned with both pillars of the recently approved Bank's CSP for Ghana, aimed at improving productivity in Ghanaian enterprises and, supporting economic and structural reforms to improve the business environment. Through a strategic focus on SME capacity building and on efforts to target the involvement of women, the operation also contributes to inclusive growth, poverty reduction and job creation.

2.1.2 **Project Components:** The proposed project has three components. These are as follows: (i) Strengthening domestic resource mobilization, aid coordination and integrity of public resource management; (ii) enhancing capacity for Private Sector Development and competitiveness; and (iii) Project Management support. Component one targets PFM institutions dealing with domestic resource mobilization and aid-coordination, public procurement, audit services and parliamentary oversight. Component two targets private sector support institutions which promote the provision of long term capital, capacity building and business development services (BDS) to private sector enterprises, especially SMEs, which constitute about 85% of private enterprises in Ghana. The third component focuses on capacity building of the AfDB Unit which serves as the Project Management Unit.

2.1.3. The three components are mutually reinforcing in that sound PFM systems promote private sector development and competitiveness and these results will hold only if the Project Management Unit has adequate capacity to manage and coordinate the project. The proposed operation will provide resources for systems development, training, technical assistance, equipment and logistical support to the beneficiary institutions. It is expected that improved capacity of these institutions will have a high economy-wide spill-over effect and enhance the implementation of other Bank-funded projects and programs in the country including the recently approved and on-going Budget Support Operation (PRBESP). The main activities under the three components are summarized in Table 2.1 below, while details are presented in Annex B.2.

Table 2:1 GISP: Project components and sub-components

No	Component	Cost (UA m)	Component description
1	Strengthening domestic resource mobilization, aid coordination and integrity of public resource management.	5.11	<p>1.1 Support to domestic resource mobilization and aid coordination. Project activities under this sub-component will support the strengthening of human and institutional capacity of MoFEP in two key areas: non-tax revenue (NTR) mobilization and aid coordination.</p> <ul style="list-style-type: none"> • NTR mobilization: Support in this area will include: (i) development of guidelines for costing/pricing of government services, (ii) Building in-house capacity for the preparation of strategic plans for revenue enhancement, revenue mobilization/management, and costing/pricing of Government services; and (iii) logistic support to NTRU and selected MDAs to carry out NTR mobilization and management more efficiently. • Aid coordination: Support in this area will focus on two main issues: (i) Establishment of a Web Based Donor Database Management System in the EERD of MoFEP to serve as a central platform for aid recording and reporting; and (ii) Strengthening the capacity of the MDBS secretariat to ensure effective monitoring and evaluation of BSOs. This support will involve staff training, technical assistance and provision of equipment. <p>1.2 Strengthening public procurement system Capacity building activities under this sub-component will include PPA and Procurement Entities staff capacity development in (i) General Procurement and Procurement Regulations. (ii) Contract Management Documentation and training (iii) Amendment and Regulations, and (iv) Management Information System (training of Entities in on-line procurement planning). It will also include provision of IT equipment and publication/dissemination of Procurement Bulletin.</p> <p>1.3 Strengthening audit and oversight functions: In this area, project support will focus on the internal as well as external audits and the oversight functions of Parliament.</p> <ul style="list-style-type: none"> • For Internal Audit function, project activities will include: i) Development of Practice Guides and Training Manuals for Performance Auditing; ii) Training of Internal Audit Staff in Ministries, Departments and Agencies (MDAs) and Metropolitan, Municipal and District Assemblies, (MMDAs) in Performance Auditing; iii) Training of Senior Management in Enterprise Risk Management; iv) Provision of Hands-On Support to trained staff of IAUs; and v) Provision of ICT Equipment and Audit Tools. • For External Audit function, project activities will include i) provision of computers and equipment to the GAS office to help it carry out its role efficiently, ii) capacity building trainings to GAS staff and iii) development of the oil and gas audits system • For Parliamentary oversight function, project activities will include: i) support for the setting up of the Budget Office and Parliamentary Institute, ii) capacity strengthening of Parliamentary Service Research Officers and Committee Clerks in preparing evidence-based briefs and research papers to improve their support to MPs in analytical data/information to enhance their oversight functions; and iii) capacity strengthening of MPs themselves (training and study tours) to enhance their understanding and knowledge of their legislative and oversight functions.

2	Strengthening Capacity for Private Sector Development and competitiveness	3.34	<p>2.1. Strengthening private sector advocacy role of PEF in policy formulation and implementation: Capacity building activities under this sub-component will focus on (i) development of a web-based research platform to enhance PEF capacity to improve advocacy and public-private dialogue, and (ii) provision of training related to business start-up and growing business to its members to improve their efficiency and competitiveness.</p> <p>2.2. Improving Small and Medium Enterprises (SMEs) access to business development services Capacity building activities will include support to NBSSI to offer training to SMEs on: (i) value chain analysis, (ii) business planning for new products and market development, (iii) quality assurance standards, (iv) entrepreneurship and small business management, (v) implementation of value chain management systems, (vi) ICT, and (vii) leadership development. This sub-component will also support the human capacity building of NBSSI staff through (i) provision of training of trainers in the above subject areas, and (ii) other training including ICT, Computer audit, project appraisal and credit management, budgeting and financial management, administration and records management, and advance financial management. It will also provide furniture and office equipment to NBSSI.</p> <p>2.3 Driving Financial Sector Policy and Strategy Formulation: Project support will focus on the FSD of MoFEP in the following activities: (i) undertaking research and surveys in collaboration with the academia and think tank organizations to provide analytical underpinning for sound financial sector policy and strategy formulation; (ii) staff training and attachment programs to acquire relevant skills in financial economics and related programmes; (iii) support for the operations of the National Capital Market Committee; (iv) annual national financial sector conferences for all key stakeholders; and (v) logistics and administrative support for the operations of the Division.</p> <p>2.4 Facilitating SMEs listing on the GSE and access to long-term capital. Project activities under this sub-component will include: i) Provision of consultancy service to GSE for the setting up of a dedicated alternative market for SMEs, and ii) Provision of Technical Advisers to GSE to work with identified SMEs to facilitate their listing on the market and mobilization of long-term capital.</p>
	Project Management Support	2.21	<p>Project management and Capacity building of AfDB Unit: Support will focus on enhancing the capacity of the AfDB Unit to manage relations between the MoFEP and the AfDB more effectively and to manage and coordinate the GISP. Project support will enhance the capacity of the Unit in project management, monitoring and evaluation. Specific activities will include:</p> <ul style="list-style-type: none"> • Recruitment of Project Management Team (Project manager, procurement expert, Monitoring and Evaluation (M&E) Specialist, and project accountant) • Provision of Office and IT equipment and software • Provision of office equipment and supplies; • Annual audit of project account • Project completion report

2.2 Technical Solution Retained and other Alternatives Explored

2.2.1 **At its initial conception, an institutional approach was used to identifying about ten beneficiary institutions that would be supported under the project.** However, there were concerns that such a large number of beneficiary institutions would pose a challenge for coordination. In view of these concerns, the project team opted to focusing on thematic issues. As a result, the proposed project focuses on five thematic areas: i) domestic resource mobilization and aid coordination, ii) public procurement services, iii) audit and oversight functions, iv) private sector development, and v) project management and capacity building of the AfDB's Unit. Institutions falling under each thematic issue were selected bearing in mind the principles of selectivity, complementarity with other Bank operations, and complementarity with the support of other DPs. In terms of project implementation arrangements, the initial idea was to set up a separate project implementation unit (PIU) within MoFEP for the project. This option was later dropped to avoid the creation of parallel PIUs. Instead, the option of strengthening the capacity of the AfDB Unit, which currently coordinates other Bank Group funded projects, was adopted to enable it efficiently coordinate GISP implementation. Thus, the Unit will be strengthened by additional specialized full time personnel, namely: a Project Manager, Procurement Expert, M&E Specialist and a Financial Management Expert (Project Accountant). This will ensure that the Unit will have adequate capacity to manage the day to day activities of the project and coordinate effectively with the direct beneficiary institutions. The Director of the Unit will remain the overall coordinator of the project and the project manager will report directly to the Director. To ensure sustainability, it was initially suggested that some of these specialists may be seconded to the AfDB Unit from within the Government. However, it was later agreed that these staff will be recruited by the project, while the Government will be committed to nominating counterpart staff to work with the recruited experts so as to ensure knowledge transfer and sustainability beyond the project period.

2.2.2 As to the modality of trainings to be provided under this project, the option of long-term overseas training leading to higher degrees was proposed by a number of beneficiary institutions, but the project team discussed and opted for short- to medium-term functional training to be provided in-country or within the Africa region, using existing institutions, or regional/international experts. This type of functional training will benefit more employees and help in developing and enhancing in-country and regional training capacities.

2.3 Project Type

2.3.1. This is a standalone Institutional Support Project focusing on improving PFM systems and Business Enabling Environment in Ghana. This type of operation was preferred in order to continue providing much needed support to build on gains from earlier institutional support projects. The GISP is designed to complement the projects being implemented by the Bank and other donors including the on-going PRBESP.

2.4 Project Cost and Financing Arrangements

2.4.1 **The estimated total cost of the project, net of taxes and duties, is UA 10.66 million.** The Bank will provide UA 9.59 million (90% of the total cost), while the Government will provide UA 1.07 million (10%) in counterpart funding to cover operating costs. In addition, the GoG has also pointed out that it is providing resources for capacity building in other complementary areas not covered by the GISP, including its continued support to already ongoing programs such as the support to SMEs through the NBSSI. The 10% counterpart funding contribution shows the Government's commitment to the successful implementation of the operation. Price and physical contingencies of about 14% have been factored into the project cost. Tables 2.2 to 2.5 present the estimated project cost by component and subcomponents, sources of finance, category of expenditure and by year. A detailed cost table is presented in Annex B.2.

Table 2.2: Project Cost Estimates by Component

Components	(UA Million)			(GHS Million)			%	%
	Local	Foreign	Total	Local	Foreign	Total	Foreign	Total
A. Strengthening domestic resource mobilization, aid coordination and integrity of public resources management								
A.1 Support to domestic resource mobilization and aid coordination								
1. NTR Mobilization	0.37	0.17	0.54	0.96	0.44	1.40	31%	5%
2. Development of Donors' Data Base	0.83	0.28	1.11	2.14	0.73	2.87	25%	11%
3. Strengthening MDDBS Secretariat	0.13	0.09	0.23	0.35	0.24	0.58	41%	2%
Subtotal	1.34	0.55	1.88	3.45	1.41	4.86	0.97	0.19
A.2 Strengthening Procurement System								
1. Support to PPA	0.89	0.11	1.00	2.28	0.29	2.58	11%	10%
Subtotal	0.89	0.11	1.00	2.28	0.29	2.58	11%	10%
A.3 Strengthening Audit and Oversight Functions								
1. Strengthening Internal Audit Function	0.37	0.30	0.67	0.96	0.78	1.74	45%	7%
2. Strengthening External Audit Function	0.15	0.10	0.25	0.39	0.25	0.64	39%	2%
3. Strengthening Parliam. Oversight Function	0.32	0.30	0.62	0.84	0.77	1.61	48%	6%
Subtotal	0.85	0.70	1.55	2.19	1.79	3.99	45%	15%
B. Strengthening Capacity for Private Sector Development and Competitiveness								
B.1 Strengthening Advocacy Role of PEF	0.44	0.42	0.86	1.14	1.08	2.21	49%	8%
B.2 Improving MSEs' Access to BDS	0.62	0.28	0.91	1.61	0.73	2.34	31%	9%
B.3. Driving Financial Sector Policies and Strategies (FSD)	0.32	0.20	0.52	0.82	0.52	1.33	39%	5%
B.4 Facilitating SMEs Listing on GSE and Access to Long Term Capital	0.36	0.26	0.63	0.80	0.68	1.48	42%	6%
Sub-Total	1.74	1.17	2.90	4.35	3.01	7.36	44%	21%
C. Project Management and Capacity Building of the AfDB Unit								
	1.79	0.20	1.99	4.62	0.52	5.14	10%	19%
Base Cost	6.72	2.61	9.33	17.20	6.73	23.93	28%	90%
Contingencies	0.96	0.37	1.33	2.46	0.96	3.42	28%	10%
TOTAL PROJECT COST	7.68	2.98	10.66	19.66	7.69	27.35	28%	100%

Table 2.3: Sources of Financing

Source of Finance	(UA Million)				(GHS Million)			
	Foreign	Local	Total	Percent	Foreign	Local	Total	Percent
Government	0.00	1.07	1.07	10%	0.00	2.76	2.76	10%
ADF Grant	3.05	6.54	9.59	90%	7.43	16.87	24.74	90%
Total	3.05	7.61	10.66	100%	7.43	19.63	27.50	100%

Table 2.4: Project Cost by Category of Expenditure

Expenditure Account	(UA Million)			(GHS Million)			%	%
	Local	Foreign	Total	Local	Foreign	Total	Foreign	Total
A. Goods	1.10	0.49	1.59	2.70	1.26	7.39	31%	15%
B. Services	4.55	2.12	6.67	11.74	5.47	17.21	32%	63%
C. Operating Cost	1.07	0.00	1.07	2.76	0.00	2.76	0%	10%
BASE COST	6.72	2.61	9.33	17.20	6.73	23.93	28%	86%
Contingencies	0.96	0.37	1.33	2.46	0.96	3.42	28%	14%
Total PROJECT COSTS	7.68	2.98	10.66	19.66	7.69	27.35	28%	100%

Table 2.5: Expenditure Schedule by Component and Year

Components	(UA Million)					(GHS Million)				
	2012	2013	2014	2015	Total	2012	2013	2014	2015	Total
A. Strengthening domestic resource mobilization, aid coordination and integrity of public resources management										
A.1 Support to domestic resource mobilization and aid coordination										
1. NTR Mobilisation	0.05	0.22	0.16	0.11	0.54	0.14	0.56	0.42	0.28	1.40
2. Development of Donors' Data Base	0.11	0.45	0.33	0.22	1.11	0.29	1.15	0.86	0.57	2.87
3. Strengthening MDDBS Secretariat	0.02	0.09	0.07	0.05	0.23	0.06	0.23	0.18	0.12	0.58
Subtotal	0.19	0.75	0.56	0.38	1.88	0.49	1.94	1.46	0.97	4.86
A.2 Strengthening Procurement System										
1. Support to PPA	0.10	0.40	0.30	0.20	1.00	0.26	1.03	0.77	0.52	2.58
Subtotal	0.10	0.40	0.30	0.20	1.00	0.26	1.03	0.77	0.52	2.58
A.3 Strengthening Audit and Oversight Functions										
1. Strengthening Internal Audit Function	0.07	0.27	0.20	0.13	0.67	0.17	0.70	0.52	0.35	1.74
2. Strengthening External Audit Function	0.02	0.10	0.07	0.05	0.25	0.06	0.26	0.19	0.13	0.64
3. Strengthening Parliamentary Oversight Function	0.06	0.25	0.19	0.12	0.62	0.16	0.64	0.48	0.32	1.61
Subtotal	0.15	0.62	0.46	0.31	1.55	0.40	1.60	1.20	0.80	3.99
B. Strengthening Capacity for Private Sector Development and Competitiveness										
B.1 Strengthening Advocacy Role of PEF	0.09	0.34	0.26	0.17	0.86	0.22	0.88	0.66	0.44	2.21
B.2 Improving SMEs' Access to BDS	0.09	0.36	0.27	0.18	0.91	0.23	0.93	0.70	0.47	2.34
B.3 Driving Financial Sector Policies and Strategies	0.05	0.21	0.15	0.10	0.52	0.13	0.53	0.40	0.27	1.33
B.4 Facilitating SMEs Listing on GSE and Access to Long Term Capital	0.06	0.25	0.19	0.13	0.63	0.15	0.59	0.44	0.30	1.48
Sub-Total	0.29	1.16	0.87	0.58	2.92	0.73	2.93	2.2	1.48	7.36
C. Project Management and Capacity Building of the AfDB Unit	0.20	0.80	0.60	0.40	1.99	0.51	2.06	1.54	1.03	5.14
Base Cost	0.93	3.73	2.80	1.87	9.33	2.39	9.57	7.18	4.79	23.93
Contingencies	0.13	0.53	0.40	0.27	1.33	0.34	1.37	1.03	0.68	3.42
TOTAL PROJECT COST	1.07	4.26	3.20	2.13	10.66	2.74	10.94	8.21	5.47	27.35

2.5 Project's Target Area and Beneficiaries

2.5.1 The project will benefit the whole country, and direct beneficiaries will be Ghana's finance, audit, public procurement, oversight and private sector support institutions (MoFEP, PPA, IAA, GAS, Parliament, NBSSI, PEF, and GSE). Ghanaian businesses, particularly SMEs, as well as the general population, who will benefit from the results of more efficient resource allocation and utilization, are indirect beneficiaries. Female business owners, staff of enterprises and beneficiary institutions have access to greater opportunities.

2.6 Participatory Process for Project Identification, Design and Implementation

2.6.1 A number of meetings were held with stakeholders during the project appraisal mission undertaken in January 2012 as well as during earlier missions by the project team to Ghana. The consulted stakeholders include government institutions (MoFEP, PPA, IAA, GAS, and Parliament), the private sector (PEF, NBSSI, and GSE), the Parliamentary Service, and Development Partners (WB, DANIDA, DFID, KfW, GIZ and EU). The stakeholders will continue to be informed and contribute to the implementation of the proposed operation. Each beneficiary institution will be a member of a technical committee to be coordinated by the AfDB unit, for joint follow-up of implementation, while DPs will continue to be regularly updated regarding the implementation of each component. Workshops during the mid-term review and a project completion report will offer additional opportunities for public consultations.

2.7 Bank Group Experience, and Lessons Reflected in Project Design

2.7.1 The PCRs of previous ISPs and other operations approved for Ghana by the Bank have highlighted a number of lessons which have been taken into account while designing the proposed operation. This operation is consistent with one of the main lessons learnt from the most recent joint evaluation of PFM reforms in countries including Ghana: that it is important to “ensure a consistent output of people with core skills in auditing, accounting, economics, procurement and financial management.” The major lessons and how they inform the design and implementation of this project are summarised in Table 2.6.

Table 2.6: Lessons learnt from previous ISPs and analytical works.

Lessons learnt	Action taken to integrate lessons into the PAR
1. Need to focus on components that complement one another	The proposed operation is the first by the Bank in Ghana to focus simultaneously on domestic resource mobilization, aid coordination, public procurement, audit and oversight, and private sector development by directly strengthening staff capacity and systems in selected relevant institutions. These sub components complement one another.
2. Simplified grant conditions and need for close project management and follow-up to ensure quick grant effectiveness and project start-off	Grant conditions are simple. The grant will become effective after the signature of the Grant Protocol of Agreement while a launching mission will be fielded to ensure quick project start-up.
3. Need to carefully assess and choose the most appropriate procurement methods	The procurement methods for all categories of expenditure have been carefully considered and chosen.
4. Need to closely supervise consulting firms to ensure relevance of topics and quality of teaching materials	During project implementation, proposals of consulting firms shortlisted to provide training will be carefully assessed in terms of relevance of topics and quality of teaching staff. During delivery of training programs, the relevance and quality of teaching materials will be assessed. Participants will also evaluate the consultant’s performance at the end of each course.
5. Need for capacity support in aid coordination to the AfDB Unit and the MDBS secretariat	GISP includes a component for the capacity strengthening of the AfDB Unit, which will also serve as the implementing agency for the project; the project will also support the strengthening of the MDBS secretariat.
6. Need for close coordination and harmonization of Bank’s interventions with those of other development partners.	The design of the operation has been closely coordinated with interventions of the other DPs.

2.8 Key Performance Indicators

2.8.1 The key performance indicators for project completion are presented in the results-based logical framework (pages vi and vii). Under the first component of “strengthening domestic resources mobilization, aid coordination and integrity in public resources management” the expected outputs and outcomes include:

- Proportion of non-tax revenue collected as a share of total revenue will have increased from less than 10% in 2010 to at least 20% in 2015.
- An introduction and establishment of a web-based donor database management system for donor support by 2014
- Practice guidance and training manuals for performance auditing will be developed by 2015 and at least 500 heads and assistants from internal audit entities will be trained
- An enhanced parliamentary oversight services introduced; and at least 80 research staff and clerks will be trained
- At least 50 PPA and procurement entities staff will be trained
- The proportion of Public Accounts internally Audited will have increased to 75% by 2015 from less than 60% in 2010

2.8.2. Under the second component of “strengthening capacity of private sector development and competitiveness” the expected outputs include:

- A web based research platform for private sector established by 2015; and PEF’s advocacy role in policy formulation and implementation will be enhanced
- At least 4300 SMEs staff as well as staff of the private sector development support institutions will be trained, with a targeted focus on women business owners and staff
- At least 10 FSD staff will have participated in financial economics related trainings and study tours by 2015
- Number of SMEs listed on GSE will have increased from 7 in 2012 to at least 17 in 2015. The additional 10 SMEs will be listed on the alternative market for SMEs.

2.8.3. Under the third component of “project management support” the expected outputs include:

- An enhanced capacity of the project management unit (the AfDB unit) in project monitoring and evaluation. This will be realized through ensuring a regular submission of quarterly progress report and annual audit reports.

III. PROJECT FEASIBILITY

3.1 Environmental and Social Impacts

3.1.1 **Impact on the Environment.** The proposed project will not have any negative impact on the environment. The provision of equipment for capacity building to the identified institutions, as well as the training courses will consider, to the extent possible, assessment of environmental impacts. The proposed project is classified as environmental category 3.

3.1.2 **Gender:** The proposed project will improve gender outcomes in the areas of human resource development and private sector competitiveness. For example, in the provision of training, efforts will be undertaken to target female candidates. Similarly, the training and capacity building efforts for private sector agents will be geared towards female entrepreneurs and staff of enterprises. In general, at least 30% of the trainees in each case will be women. There is a specific training program organized by NBSSI on “Leadership Mentoring and coaching skills for female master-crafts-persons including exchange programme to China” that targets female-owned SMEs and female workers.

3.1.3 **Social:** The Project will contribute to improved social services through institutional reforms and capacity building programs to SMEs and staff of the beneficiary institutions. The proposed project is expected to strengthen the GoG's capacity to manage public resources more efficiently and effectively, thereby improving resources allocation. Given its complementarities with the ongoing Budget Support program and other Bank financed activities, the proposed operation will strengthen and enhance outcomes of the budget support program and other Bank operations in reducing poverty.

3.1.4 **Impact on overall Governance.** The proposed project will directly contribute to improved PFM in Ghana, particularly through improved capacity in public resource management, procurement, audit and oversight functions. The project will, among others, result in improved quality of audit services and improvement in non-tax revenue collection, as well as transparent and accountable public procurement systems.

IV. IMPLEMENTATION

4.1 *Implementation Arrangements*

4.1.1. **Executing Agency:** The Ministry of Finance and Economic Planning (MoFEP) will coordinate the implementation of the ISP, through the AfDB Unit, and in collaboration with all beneficiary institutions. The AfDB Unit will recruit professionals using the Bank's Rules and Procedures to improve its capacity to coordinate the project. This will follow Terms of Reference approved by the Bank for the duration of the project in the areas of project management, financial management, M&E and procurement. The Head of the AfDB Unit will be the overall coordinator of the project, assisted by the Project Manager who will report directly to him/her. The MoFEP shall provide office space to house the expanded AfDB Unit. Each beneficiary institution outside MOFEP will designate a focal person who will join MoFEP staff to form a technical committee that will work closely with the AfDB Unit in ensuring the smooth implementation of the project. The technical committee will meet regularly to review progress in project implementation.

4.1.2 **Financial Management:** A financial management assessment was conducted in order to determine the adequacy of the financial management capacity of the AfDB Unit at the MoFEP to coordinate the financial management functions and to manage the implementation of the proposed operation with the other beneficiaries. The objective of the assessment was to determine whether (a) the AfDB Unit of the MoFEP has adequate financial management arrangements to ensure project funds will be used for the intended purposes in an efficient way; (b) the project's financial reports will be prepared in an accurate, reliable, and timely manner; and (c) the project assets will be properly safeguarded. The assessment concluded that the AfDB Unit of MoFEP does not currently have adequate financial management capacity to undertake the functions required by GISP unless additional human resources (a financial management expert – an accountant) is recruited. This and other mitigation measures have been enunciated in the risk assessment table. Key amongst these are: i) the engagement of an accountant to take responsibility for the accounting of the GISP project funds; ii) prepare adopt and operationalize a procedures manual; and iii) prepare a financial audit terms of reference for the review and approval by the Bank, as a first step towards early recruitment of an auditor for the project. The overall residual risk was assessed as moderate.

4.1.3 **Procurement:** All procurement of goods and consulting services financed under this project will be conducted in accordance with the Bank's Rules and Procedures for Procurement of Good and Works and Rules and Procedures for the Use of Consultants, using the relevant Bank Standard Bidding Documents. A Procurement Plan acceptable to the Bank setting forth the particular contracts for services and goods required to carry out the project during an initial period of at least 18 months will be submitted by the GoG. A detailed procurement table is presented in Annex B.5.

4.1.4 **Disbursement: The disbursement methods to be used by the project will be Payment through a Special Account.** A Special Account (SA) denominated in United States Dollars, will be opened in a local bank acceptable to the AfDB, on terms and conditions acceptable to the Fund for the

purpose of depositing the proceeds of the grant. All payment processing will be done at the AfDB Unit (MOFEP) and there will be no direct transfer of funds to any participating institution or entity. AfDB Unit would be sure to obtain all transaction documentation and event reports to enable it to report on the event and incorporate the financial transactions in its financial statements and reports. An initial deposit equivalent to six (6) months expenditures forecast will be released by the Bank at the request of the project, after the project becomes effective and all disbursement conditions have been fulfilled. Subsequent releases into the SA will be made against replenishment and/or direct payment requests approved and supported by appropriate documents as may be specified in a Disbursement Letter issued by the African Development Bank. Activities that are to be financed through the Special Account in a particular year will be executed as approved in a consolidated Annual Work-Plan and Budget (AWPB). Invoices and supporting documents will be submitted directly to the AfDB Unit by participating institutions for verification and recommendation/confirmation of obligation to a vendor and subsequently paid by the AfDB Unit. Disbursement arrangements for the Bank's intervention will entail the use of the two disbursement methods of Special Account (Revolving Fund) and Direct Payment as prescribed in the Bank's Disbursement Handbook. The Bank will issue a Disbursement Letter, the contents of which will be discussed and agreed during negotiations.

4.1.5 Audit: The Auditor General of Ghana (AG) has primary responsibility for the external audit of all government projects. The same applies under the proposed operation as well. However, if, for any reason the AG cannot undertake the Audit work, it shall approve of the selection of a private auditor, using the Bank's procurement guidelines, for the project audit. The appointment of private external auditors for the project, under terms of reference and with selection satisfactory to the Bank, would be finalized within six months of effectiveness in order to comply with audit covenants and ensure timely audit of project expenditures. The report on the audit shall be submitted to the Bank for review and approval, prior to payment of any associated audit fees, within six months after the project's financial year end.

4.2 Monitoring

4.2.1. The Bank will undertake supervision missions at least twice a year. The Government, through MoFEP, shall submit quarterly progress reports (QPRs) on the physical and financial implementation of the project. The beneficiary institutions are expected to submit QPRs on the implementation of their components to MoFEP as inputs to the consolidated QPRs to be submitted to the Bank by MOFEP. The QPRs and their follow-up will provide opportunity to detect and take timely remedial actions should any serious implementation problem arises. The AfDB unit of the MOFEP is responsible for monitoring project implementation. The GHFO will undertake regular follow up of the project implementation and plays a leading role in monitoring activities. The important milestones of the project are indicated in the table below.

Table 3.1 Important Milestones in GISP implementation.

<u>Timeframe</u>	<u>Milestone</u>	<u>Monitoring process/ feedback loop</u>
July 2012	Board Approval	Board Resolution/ Letter to the GOG
October 2012	Effectiveness	Bank
October 2012	Finalization of recruitment of Project Management Staff	GOG
October 2012	Project start-up	Bank/GOG
Fourth Quarter 2012	General/specific procurement	UN Development Business Notices/ National Papers
First & Second Quarters	Procurement of goods	GOG
October 2012-December 2015	Training of staff	Bank/GOG
End of each quarter starting December 2012 till December 2016	Quarterly progress reports	GOG/Bank
Fourth Quarter 2014	Mid-term Review	Bank
December 2016	Project Completion Report	Bank

4.3 Governance

4.3.1 The risks to project governance may arise in procurement decisions, use of project assets and selection of persons to attend training and capacity building activities. Such risks will be mitigated through the preparation of a detailed procurement plan, robust follow-up of contractors and participant selections, and application of the relevant Bank's standard rules and guidelines. The relevant staff of a strengthened AfDB Unit will be made fully aware of all requirements and regulations. Compliance will be assured by relevant GHFO staff and will be reviewed during supervision missions. An independent audit of project financial reports will be undertaken every year.

4.4 Sustainability

4.4.1 Sustainability has been considered as important by the appraisal team. To ensure sustainability, a number of factors were taken into consideration in project design and were discussed with the beneficiary institutions and other stakeholders during the Appraisal Mission. These include:

- Ensuring that GoG counterparts are identified and assigned from each beneficiary institution for all project activities;
- Performance management frameworks will be put in place for all project advisors and consultants (including training providers) to measure progress in capacity building;
- Developing tailor made manuals, work practices and tools for continued use even after the project comes to an end;
- Development of technical training manuals and local capacity to continue to deliver the trainings;
- Development of partnership arrangements with relevant local and regional institutions, such as for example between Ghana Institute of Management and Public Administration (GIMPA) and the beneficiary institutions;
- Ensuring the GOG's commitment to project implementation. The GOG has already demonstrated its commitment to financial support for the activities of the project with the provision of about 10% of project cost as counterpart funding, which could be applied to funding recurrent costs.

4.5 Risk Management

The following potential risks and mitigation measures are identified:

Risk 1: Lack of trained staff and institutional capacity to implement the proposed operation (within the identified institutions and ministries as well as MoFEP). With the commencement of oil production, the current problems in the areas of public procurement and audit may be exacerbated unless quick actions are taken. **Mitigation:** Measures to mitigate this risk include ensuring strong buy-in and ownership by staff assigned to coordinate in each institution and MoFEP and designing a clear progress reporting mechanism. A multi-dimensional capacity building strategy with strict follow-up and quick disbursing funds will ensure that the institutional strengthening will start as soon as possible. Also, the recruitment of additional staff to beef up the capacity of AfDB Unit is an additional mitigating measure.

Risk 2: Involvement of a number of institutions create challenges for coordination, supervision and follow-up for MoFEP. **Mitigation:** This coordination risk will be mitigated by the constitution of the technical coordinating committee composed of focal points from beneficiary institutions, who will work closely with the AfDB Unit in MoFEP on the implementation of the project. The technical committee will have responsibility for the preparation of the work plan, procurement plan, disbursement applications, and quarterly progress reports to be consolidated by the AfDB Unit and resolution of problems that may emerge in the process of project implementation. The technical committee will meet regularly to review progress in project implementation.

Risk 3: Delays in the preparation and submission of budgets and annual work plans for consolidation into a project-wide budget and work plan may have an adverse impact on overall project implementation; **Mitigation:** The project office will prepare a consolidated annual budget based on activities within components and beneficiary institutions. The consolidated work plan and budget will be submitted to the Bank by November each year for the succeeding year for review and approval.

4.6 Knowledge Building

4.6.1. The GISP will build knowledge and develop skills in specific areas related to PFM and the business enabling environment. Within PFM, knowledge would be acquired through technical assistance and training in the following areas: (i) non-tax revenue; (ii) public procurement; (iii) internal audit; and, (iv) Parliamentary oversight function. In the area of private sector development and competitiveness, knowledge building will include the following: (i) a training needs assessment addressing the scope, scale and features of Ghana's small and medium-scale enterprises; and (ii) the establishment of a trade data-base and information on exports, imports and production for the use of SMEs. This knowledge will be captured through close project monitoring and evaluation and project completion report.

4.6.2. The knowledge gained from the implementation of the GISP will strengthen capacity in the thematic areas covered by the proposed operation in a number of ways including: the capacity to prepare financial sector policy briefs and research papers; access to BDS for private sector agents; domestic resource mobilization (particularly non-tax revenue); and aid coordination and debt management; internal audit knowledge and skills; capacity within MoFEP to undertake effective financial sector policy making; improved availability of timely data and research materials in financial sector and aid coordination, particularly the flows of external resources; and, timely availability and use of relevant information by oversight institutions including the Parliament Office.

4.6.3 Knowledge in these areas will also be acquired through skills transfer from technical assistance, formal short term and specialized training, as well as on the job training, both locally and regionally. In addition, a broad based audit and public procurement training programme will be developed and delivered in-country with the support of technical advisers to ensure that broad coverage of capacity building in these areas can be achieved, and knowledge building can be a continuing and sustained process. Similarly, specific custom made training programmes will be designed in the use of data platforms and manuals. Knowledge will also be built through direct hands on support and on the job training from technical advisors to enable beneficiaries to undertake their day to day work in the identified thematic areas. Technical and managerial staff from the beneficiary institutions, entrepreneurs and employees of SMEs will be participating in the training programs. The project will also result in data platforms for better access to various types of information and it will help develop guidance manuals and tools to be used during and after the project period. Partnerships between reputable training institutions and the relevant beneficiary institutions will also be developed.

V. LEGAL INSTRUMENTS AND AUTHORITY

5.1. Legal instrument

5.1.1 The funding instrument is a grant of UA 9.59 million to The Republic of Ghana. The Grant Protocol of Agreement between the Government of Ghana and the African Development Fund will be signed by the parties concerned.

5.2. Conditions associated with Bank's intervention

5.2.1 The Grant Protocol of Agreement will come into effect on the date of its signature by the Government of Ghana and the African Development Fund. The first disbursement of the grant will be contingent on the effectiveness of the Grant Protocol of Agreement and subject to fulfillment by Government of Ghana of the following conditions:

- i. A letter from MoFEP providing evidence of the opening of a special foreign currency account in the name of the Recipient at a bank acceptable to the Fund, to receive the Grant proceeds;
- ii. Evidence of the formation of the technical committee comprised of the focal points of the beneficiary institutions and the AfDB unit for a timely follow-up of the project implementation and for the provision of overall direction and follow-up;
- iii. Provide evidence in form and substance acceptable to the Fund that the AfDB unit has put in place the Project Coordinator and procurement specialist.

5.3. Compliance with Bank Policies

5.3.1 This project complies with all applicable Bank policies.

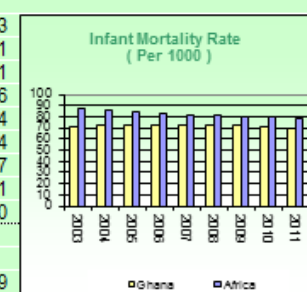
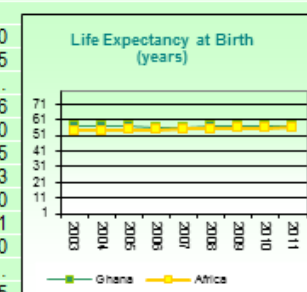
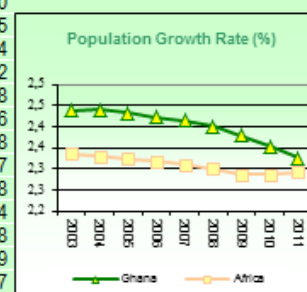
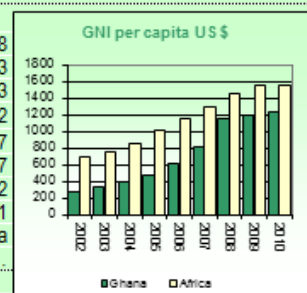
VI. RECOMMENDATION

6.1. Management recommends that the Board of Directors approves, on a lapse-of-time basis, the proposed Grant of UA 9.59 million to the Republic of Ghana for the purposes and subject to the conditions stipulated in this report.

Appendix 1: Ghana

COMPARATIVE SOCIO-ECONOMIC INDICATORS

	Year	Ghana	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area ('000 Km ²)		239	30 323	80 976	54 658
Total Population (millions)	2011	25,0	1 044,3	5 732	1 123
Urban Population (% of Total)	2010	51,3	39,9	45,1	77,3
Population Density (per Km ²)	2011	104,7	34,0	59,9	33,2
GNI per Capita (US \$)	2010	1 227	1 565	3 304	38 657
Labor Force Participation - Total (%)	2011	46,2	40,1	65,6	60,7
Labor Force Participation - Female (%)	2011	49,2	41,0	51,7	52,2
Gender -Related Development Index Value	2007	0,524	0,433	0,694	0,911
Human Develop. Index (Rank among 187 countries)	2011	135	n.a	n.a	n.a
Popul. Living Below \$ 1 a Day (% of Population)	2007-09	30,0	42,3	25,2	...
Demographic Indicators					
Population Growth Rate - Total (%)	2011	2,3	2,3	1,3	0,6
Population Growth Rate - Urban (%)	2010	3,5	3,4	2,4	1,0
Population < 15 years (%)	2011	38,4	40,3	29,0	17,5
Population >= 65 years (%)	2011	3,9	3,8	6,0	15,4
Dependency Ratio (%)	2010	71,8	77,6	55,4	49,2
Sex Ratio (per 100 female)	2011	103,6	99,5	93,5	94,8
Female Population 15-49 years (% of total population)	2011	24,5	24,4	49,4	50,6
Life Expectancy at Birth - Total (years)	2011	57,4	56,0	67,1	79,8
Life Expectancy at Birth - Female (years)	2011	58,5	57,1	69,1	82,7
Crude Birth Rate (per 1,000)	2011	31,4	34,2	21,4	11,8
Crude Death Rate (per 1,000)	2011	10,8	12,6	8,2	8,4
Infant Mortality Rate (per 1,000)	2011	69,6	78,6	46,9	5,8
Child Mortality Rate (per 1,000)	2011	111,8	127,2	66,5	6,9
Total Fertility Rate (per woman)	2011	4,1	4,4	2,7	1,7
Maternal Mortality Rate (per 100,000)	2008	350,0	530,2	290,0	15,2
Women Using Contraception (%)	2007-09	61,0	...
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2009	9,0	58,3	109,5	286,0
Nurses (per 100,000 people)*	2009	104,8	113,3	204,0	786,5
Births attended by Trained Health Personnel (%)	2008	58,7	50,2	64,1	...
Access to Safe Water (% of Population)	2008	82,0	64,5	84,3	99,6
Access to Health Services (% of Population)	2007-09	...	65,4	80,0	100,0
Access to Sanitation (% of Population)	2008	13,0	41,0	53,6	99,5
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2007	1,9	4,9	0,9	0,3
Incidence of Tuberculosis (per 100,000)	2010	86,0	294,9	161,0	14,0
Child Immunization Against Tuberculosis (%)	2010	99,0	85,3	81,0	95,1
Child Immunization Against Measles (%)	2010	93,0	77,9	80,7	93,0
Underweight Children (% of children under 5 years)	2007-09	13,9	30,9	22,4	...
Daily Calorie Supply per Capita	2007	2 907	2 465	2 675	3 285
Public Expenditure on Health (as % of GDP)	2008	7,8	5,7	2,9	7,4
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2011	107,3	100,4	107,2	101,3
Primary School - Female	2011	107,2	90,0	109,2	101,1
Secondary School - Total	2011	67,3	37,7	62,9	100,1
Secondary School - Female	2011	63,9	33,7	61,3	99,6
Primary School Female Teaching Staff (% of Total)	2009	33,7	41,4	60,5	81,4
Adult literacy Rate - Total (%)	2009	66,6	65,1	80,3	98,4
Adult literacy Rate - Male (%)	2009	72,8	74,3	86,0	98,7
Adult literacy Rate - Female (%)	2009	60,4	56,2	74,8	98,1
Percentage of GDP Spent on Education	2007-09	5,4	4,7	3,8	5,0
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2008	19,3	7,8	10,6	10,9
Annual Rate of Deforestation (%)	2007-09	...	0,7	0,4	-0,2
Annual Rate of Reforestation (%)	2007-09	...	10,9
Per Capita CO2 Emissions (metric tons)	2009	0,3	1,1	2,9	12,5



Sources : ADB Statistics Department Databases; World Bank: World Development Indicators;

last update :

octobre 2011

UNAIDS; UNSD; WHO, UNICEF, WRI, UNDP; Country Reports.

Note : n.a. : Not Applicable ; ... : Data Not Available.

Appendix 2
GHANA: BANK GROUP PORTFOLIO AS AT 30th April 2012

No.	Sector	Project name	Loan/grant amount (UA)	Date of approval	Date of signature	% disbu	Closing date	Status
1	Agric	Export Market And Quality Awareness	17 000 000	13.07.2005	29.07.2005	54.2	31.12.2013	
2		Afram Plains Rural Development	19 970 000	31.05.2006	29.06.2006	69.6	31.12.2012	
3		Northern Rural Growth Program	40 000 000	17.12.2007	04.03.2008	6.0	31.12.2015	
		Agriculture Sub-Total	76 970 000			43.3		
1	Social	Health Services Rehabilitation III	17 640 000	30.10.2002	04.06.2003	61.4	31.03.2012	
2		Urban Poverty Reduction Project	25 000 000	12.10.2005	23.11.2005	74.1	30.06.2012	
3		Gender Responsive Skills & Comm	5 950 000	19.12.2007	14.05.2008	18.2	31.12.2012	PPP
4		Gender Responsive Skills & Comm -G	2 360 000	19.12.2007	14.05.2008	27.0	31.12.2012	
		Social Sub-Total	50 950 000	-	-	45.6		
1	Transport	Tema-Aflao Road Rehab	14 700 000	17.04.2002	02.08.2002	72.0	30.06.2012	PPP
2		Tema-Aflao Road Rehab - Supplm	25 400 000	16.12.2008	10.06.2009	33.1	31.12.2013	PP
3		Akatsi-Dzodze-Noepe Road - ADF	12 720 000	20.12.2002	18.07.2003	75.4	30.06.2012	PPP
4		Akatsi-Dzodze-Noepe Road - Supplm	13 400 000	16.12.2008	10.06.2009	54.1	31.12.2013	PP
5		Road Infrastructure Project 2003	18 000 000	17.09.2003	01.04.2004	58.1	30.06.2012	PPP
6		Awoshie-Pokuase Road & Comm Dev.	53 590 000	14.10.2009	01.04.2010	12.9	31.12.2015	
7		Fufulso-Sawla Road	109 720 000	24.11.2010	02.12.2010	10.1	31.12.2015	PPP
		Transport Sub-Total	247 530 000	-	-	45.1		
1	Water/San	Accra Sewerage Improvement Project)	46 000 000	26.04.2006	19.05.2006	19.1	31.12.2013	PPP
2		Improved Sanitation And Water Supply	1 825 191	18.09.2009	15.01.2010	68.5	15.01.2012	
3		Design For Re-Use	441 325	28.07.2010	19.10.2010	40.2	30.06.2013	
4		Reoptimize Std -Akosombo & Kpong	1 608 994	02.08.2010	07.01.2011		30.09.2013	PPP
		Water/Sanitation Sub-Total	49 875 510			42.6		
1	MULT	Invasive Aquatic Weeds - Ghana	1 680 000	22.09.2004	13.10.2004	67.6	30.06.2012	
2		Ghana - Prom Of Sc.& Tech. for Agric.	15 581 000	29.11.2006	18.12.2006	49.8	31.12.2013	
3		UEMOA Ghana Road Program	64 500 000	19.11.2003	18.12.2003	72.7	31.12.2012	
4		UEMOA Ghana Road Program (Suppl)	4 300 000	16.12.2008	10.06.2009	43.6	30.12.2013	
5		Ghana - Togo -Benin Power Interconnect	14 870 000	04.04.2007	17.05.2007	7.6	31.12.2012	
		Multinational Sub-Total	100 931 000	-	-	48.3		
1	Multi sect	Budget support						
2		Fourth Budget Support	26 000 000	13.07.2011	20.12.2011	50.0	31.12.2013	
3		Fourth Budget Support	44 000 000	13.07.2011	20.12.2011	50.0	31.12.2013	PP
		Multisector Sub-Total	70 000 000	-	-	50		
1	Power	Power Systems Re-Enforcement Project	27 600 000	28.11.2007	04.03.2008	55.3	31.12.2014	
		Power Sub-Total	27 600 000	-	-	55.3		
Active Portfolio (Disbursing)			677 656 510			45.0		

Appendix 3: Projects of Other Donors - PFM Capacity Building

Donor Institution	Type of Support	Target/Beneficiary	Title
KfW	Needs Assessment	Ghana Audit Service	scoping mission on upscaling support to GAS
JICA	Training	GRA (IRS and VAT)	International Seminar on taxation
JICA	Training	CEPS-GRATema	Customs Administration
JICA	Training	MOFEP	Japanese ODA Operation
DANIDA	Training	MOFEP – Budget Division	PFM From Assessment to reform @IDILMAT
GIZ	Training	MOFEP and GRA	Summer Tax School
GIZ	Training	Tax Policy Unit MOFEP	Business Taxation
GIZ	Training	Tax Policy Unit MOFEP	Mphil Taxation
GIZ	Training	Tax Policy Unit MOFEP	International Tax Law
GIZ	Training	Tax Policy Unit MOFEP	Natural Resource Taxation
GIZ	Training	Tax Policy Unit MOFEP	Fundamentals of upstream petroleum economics and risk analysis
EU	Training	CAGD	Training on oracle software for GIFMIS implementation

Appendix 4: MAP OF GHANA

