

2008

Effective Technical Cooperation for Capacity Development

Ghana Country Case Study



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Joint Study on Effective TC for CD



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ABBREVIATIONS

ACBF	African Capacity Building Foundation
ADMU	Aid and Debt Management Unit
AfDB	African Development Bank
APM	Annual Partnership Meeting
APR	Annual Progress Report
APRM	African Peer Review Mechanism
BPEMS	Budget and Public Expenditure Management System
CAS	Country Assistance Strategy
CD	Capacity Development
CDF	Comprehensive Development Framework
CEA	Country Environment Analysis
CEPA	Centre for Policy Analysis
CEPS	Customs Excise and Preventive Service
CHRAJ	Commission for Human Rights and Administrative Justice
CIDA	Canadian International Development Agency
CG	Consultative Group
COL	Commonwealth of Learning
CPAP	Country Programme Action Plan
CSMTSC	Country Study Management Team and Steering Committee
DAC	Development Assistance Committee
DACF	District Assemblies Common Fund
DFID	Department for International Development (UK)
DP(s)	Development Partner(s)
DTST	District Teacher Support Team
EITI	Extractive Industry Transparency Initiative
EMIS	Education Management Information System
ESP	Education Strategy Plan
ESSP	Education Sector Support Programme
ERP	Economic Recovery Programme
EU	European Union
FCUBE	Free Compulsory Universal Basic Education
FDI	Foreign Direct Investment
FM	Framework Memorandum
FY	Fiscal Year

G-HAP	Ghana Harmonisation Action Plan
G-JAS	Ghana Joint Assistance Strategy
GAS	Ghana Audit Service
GBS	General Budget Support
GDP	Gross Domestic Product
GER	Gross Enrolment Ratio
GES	Ghana Education Service
GETFund	Ghana Education Trust Fund
GFCF	Gross Fixed Capital Formation
GFG	Good Financial Governance
GGP	Good Governance Programme
GIMPA	Ghana Institute of Management and Public Administration
GIR	Gross International Reserves
GNI	Gross National Income
GNP	Gross National Product
GoG	Government of Ghana
GPF	Growth and Poverty Forum
GPRS I	Ghana Poverty Reduction Strategy
GPRS II	Growth and Poverty Reduction Strategy
GPS	Ghana Partnership Strategy
GTZ	German Technical Cooperation
HIPC	Highly Indebted Poor Country
HR	Human Resource
HRDC	Hirani Ratcliffe Development Consultants
ICT	Information and Communication Technology
ICR	Independent Country Assessment Report
IEA	Institute of Economic Affairs
IFAD	International Fund for Agricultural Development
IFC	International Financial Corporation
ILO	International Labour Organization
IMF	International Monetary Fund
IPA	Institute of Public Administration
IPPD	Integrated Personnel and Payroll Database
ITAX	Integrated Tax System
IRS	Internal Revenue Service
JAS	Joint Assistance Strategy

JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
KNUST	Kwame Nkrumah University of Science and Technology
LAN	Local Area Network
MDAs	Ministries, Departments and Agencies
MDBS	Multi-Donor Budgetary Support
MDGs	Millennium Development Goals
MDI	Management Development Institute
MIS	Management Information System
M&E	Monitoring and Evaluation
MoESS	Ministry of Education, Science and Sports
MoFEP	Ministry of Finance and Economic Planning
MTEF	Medium-Term Expenditure Framework
NDPC	National Development Planning Commission
NER	Net Enrolment Ratio
NGO	Non-Governmental Organisation
NIRP	National Institutional Renewal Programme
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD	Organisation for Economic Cooperation and Development
PAC	Public Accounts Committee
PAF	Performance Assessment Framework
PFM	Public Financial Management
PIU	Project Implementation Unit
PPB	Public Procurement Board
PRGF	Poverty Reduction and Growth Facility
PRSC	Poverty Reduction Support Credit
PUFMARF	Public Financial Management Reform Programme
RAGB	Revenue Agencies Governing Board
RMS	Revenue Mobilisation Support
SBS	Sector Budget Support
SFO	Serious Fraud Office
SPGs	Sector Partner Groups
STM	Science, Technology and Mathematics
SWAp	Sector-Wide Approach
TA	Technical Assistance

TC	Technical Cooperation
TED	Teacher Education Division
TPU	Tax Policy Unit
TVET	Technical and Vocational Education and Training
UCC	University of Cape Coast
UEW	University College of Education at Winneba
UG	University of Ghana
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
USA	United States of America
USD	United States Dollar
UK	United Kingdom
VAT	Value Added Tax
VIPS	Value Added Tax Information Processing System
WAN	Wide Area Network
WB	World Bank
WBI	World Bank Institute
WFP	World Food Programme
WSD	Whole School Development

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EXECUTIVE SUMMARY

Issues regarding the relevance of capacity development within the context of technical cooperation and external aid flows into recipient partner countries have received considerable attention recently in international fora. While some development practitioners view use of technical cooperation for capacity development as a nebulous concept with little relevance in practical development cooperation, an emerging consensus is growing for stronger country-ownership and leadership of the capacity development process, with external partners helping to develop ‘*virtuous circles*’ of country-led process and management of technical cooperation. Further elements of this new consensus include:

- A systemic approach to capacity development at individual, organisational, and societal levels;
- Open and transparent policy dialogue;
- An enabling environment to provide the requisite incentives and political ‘drivers’ of change for organisational transformation; and
- The need for technical cooperation support to be tailored towards the goals of national development plans and strategies.

This study is a country case study on *Effective Technical Cooperation for Capacity Development in Ghana*, with a focus on public financial management and education sector reforms. The study, which was commissioned in November 2007 by the Country Study Management Team (Government of Ghana, GTZ, JICA, UNDP), is part of eleven country case-studies, the findings of which will be presented at the *High-Level Forum on Aid Effectiveness* in Accra in late 2008.

Following the successful attainment of the completion point of the HIPC process in July 2004, Ghana benefited from scaled-up aid and extensive technical cooperation resource flows from her development partners. Prior to this, development partners had responded favourably to Ghana’s Poverty Reduction Strategy with a programme of multi-donor budget support (MDBS) that has since 2003 represented about 18% of net overseas development assistance.

The primary objective of the Ghana case study is to identify key capacity development goals in the two thematic areas of education and public financial management (PFM) reforms. This is with the view to providing a baseline assessment of how technical cooperation support from development partners contributed to these capacity development (CD) goals over the period 2001-2006 (inclusive).

The findings and issues raised in the Ghana case study draw largely from past and recent studies and policy documents on Public Financial Management and Education Sector Reforms.

MAIN FINDINGS

External flows of technical cooperation into Ghana's development efforts improved significantly following the successful outcome of the MDDBS initiative in 2003. The historical experience shows that technical cooperation support to Ghana more than doubled from US\$2.6 billion in 1997-2001 to US\$5.5 billion in 2002-2006 – the equivalent of 86% of net overseas development assistance.

Mutual partnerships, involving the sharing of analytic and advisory work, and the high level dialogue on strategic policy issues fostered a more effective approach to aligning technical cooperation support to the national strategic priorities of government. At the sector/thematic level, both the Government of Ghana and development partners have played important roles in identifying capacity development gaps and filling in with appropriate technical cooperation support. Sector groups have been formed to oversee how best to align capacity development priorities to technical cooperation commitments of development partners.

In relative terms, technical cooperation coordination in education appears to be more effective than in PFM reforms, where progress has been at a slower pace. Even within education, however, coordination has been uneven, and there are still challenges in effectively harmonising technical cooperation support.

The experiences of technical cooperation with respect to all six 'good-practice' experiences cited in the study indicate that strong institutional and human capacity can be created and sustained with technical cooperation from development partners. To do so effectively requires:

- Government addressing institutional issues such as adequate staffing and remuneration packages for staff to sustain institutional and organisational change management systems;
- A well-crafted technical cooperation support strategy;
- Continued domestic political support for implementation and sustenance;
- Dynamic leadership and a well-resourced and well-trained staff with adequate incentives;
- Strengthening the capacity of existing structures rather than creating new structures; and
- Change in work ethic (attitudes, time management, and performance appraisal).

In respect of donors and donor agencies, even though they employ different modes in the delivery of technical cooperation, it is essential that they are active in all phases of TC interventions – from the initial dialogue and negotiation phase to the end of the implementation and organisational management change phase. In all of these, however, the donors' role is essentially to *facilitate* rather than *direct* the process of turning broad goals into an actionable plan. Donor support should be provided in a coherent, coordinated, and programmatic manner.

Capacity development, however, is not a donor activity, but a task for the government. Donor technical cooperation initiatives can support capacity development only to the extent that such efforts are rooted in the partner country's goals and strategies.

RECOMMENDATIONS

Mutual partnership built between the Government of Ghana and development partners, which had been largely responsible for the improved effectiveness of technical cooperation support for capacity development, must be kept alive for building a solid and sustainable relationship between Ghana's economic development efforts and technical cooperation support from development partners.

The framework for strengthening coordination, management of external resources for development, and national ownership of the development process, must also be reinforced. Improving the effectiveness of technical cooperation for capacity development in Ghana has for long been donor-driven, with little evidence of active government ownership in the process. This calls for strengthening the leadership role of the Ministry of Finance and Economic Planning.

The creation of a mechanism by the government to allow for the monitoring of external aid flows meant for capacity development would not only increase accountability and transparency but also underscore the importance of using allocated external aid flows and technical cooperation more optimally. This calls for the strengthening of the Aid and Debt Management Division of the Ministry of Finance and Economic Planning, with an added focus towards building a credible database on aid and technical cooperation flows into Ghana.

There is an urgent need for the Government of Ghana to come out with an External Aid and Technical Cooperation Policy with clearly defined frameworks for external assistance to Ghana – including the modalities, budgeting protocols, alignment requirements, procurement rules and guidelines and partnership behaviours.

The historical experience has shown that the shares of training (including the recruitment of external and local consultants, as also monitoring and evaluation) have not been particularly impressive, remaining at the bottom end of development partners' technical cooperation portfolios. A lot more funding would be required to upgrade training needs for sustainable organisational management change.

Finally, there is the need for Government of Ghana and Development Partners to ensure value-for-money through effective coordination and by ensuring that field operations of donor agencies are non-competing and non-duplicating but focused on building capacity for poverty reduction at regional, district and local authorities' levels.

1. OVERALL SITUATION ANALYSIS AT THE NATIONAL LEVEL

1.1. BACKGROUND

An increasing global interest in capacity development has evolved in recent times among both developing countries and development partners. Until quite recently, capacity development was viewed mainly as a technical process involving the simple transfer of knowledge or organisational models from the North to the South. Given the critical political and social dimensions involved in capacity development, as well as countries' commitments to sustainable capacity development, however, a *new emerging consensus* sees capacity development as an endogenous process strongly led from within a country, with donors playing a supporting role. This new consensus stresses country ownership and leadership together with the importance of 'demand-led' support for the attainment of poverty reduction in developing countries, as well as for meeting the Millennium Development Goals.

The underlying concept of the emerging consensus on capacity development is widely recognised by both bilateral and multilateral donors and developing countries alike. This recognition also seems to have been articulated in the Paris Declaration of Aid Effectiveness, endorsed in March 2005 by one hundred countries worldwide, including Ghana. This has consequently led to increased attention as to how to make technical cooperation (TC) more effective for capacity development (CD). Thus, while many aid instruments are used to support capacity development, technical cooperation is viewed as a major instrument for supporting capacity development and it is being recognised as important by both donors and beneficiary partner countries and stakeholders¹.

It is against this background that six technical cooperation development organisations – the African Development Bank (AfDB), BMZ/GTZ of the Federal Republic of Germany, the Department for International Development (DFID) of the United Kingdom, the Japan International Cooperation Agency (JICA), the



¹ See for example OECD (2006a), "Technical Cooperation: its role in capacity development", OECD Issues Paper, Istanbul, 12-13 October 2006, www.oecd.org/dataoecd/25/57/37823356.pdf, and also OECD (2006b).

United Nations Development Programme (UNDP) and the World Bank (WB) – proposed to work on a global *Joint Study on Effective Technical Cooperation for Capacity Development* which would be based on experiences from eleven country case studies. The findings from this study are expected to be presented at the *High Level Forum on Aid Effectiveness* in Accra in 2008.

Early in the process, Ghana, represented by the Ministry of Finance and Economic Planning (MoFEP), indicated its interest in conducting research in this area and consequently has been selected as a case-study country for the global study. In line with the approach by other country case studies, two thematic areas, namely Education and Public Financial Management (PFM), have been selected as focal points for the Ghana country study.

The present study is the country case study on the Effectiveness of Technical Cooperation for Capacity Development in Ghana. The study was commissioned in November 2007 by a Country Study Management Team and Steering Committee (CSMTSC) of Development Partners – spearheaded by the Ministry of Finance and Economic Planning (MoFEP) with the German Technical Cooperation (GTZ), JICA and UNDP.

1.1.1. SCOPE OF WORK

Among other things, the scope of work contained in the Terms of Reference (ToR) includes:

- Identifying key capacity development processes in areas of public financial management (PFM) and education between 2001 and 2006;
- Analysing the concept of capacity development as it is understood by both the Government of Ghana and development partners, investigating the extent to which this understanding is in accordance with the international definition as stipulated in OECD DAC documents;
- Assessing the range of technical cooperation being provided in the two thematic areas and the inputs from development partners in the two areas identified;
- Discussing actual practices of technical cooperation approaches and contributions to capacity development in relation to overall efforts in PFM and education sector reforms, highlighting the extent to which TC has been effective in facilitating both negotiation and learning processes; and
- Deriving lessons learned, and making recommendations for improved technical cooperation for capacity development in Ghana.

Key areas to be studied in respect of public financial management (PFM) are:

- Planning and Policy Formulation – specifically, budget preparation/formulation and tax policy;

- Administration – with a focus on budget implementation, payroll and tax administration; and
- Auditing and monitoring – specifically with respect to internal auditing (IAA), the Ghana Audit Service (GAS), the Parliament in Ghana and engagement with civil society.

In education, sub-themes to be studied include:

- Management of schools;
- Access to education at the basic through to tertiary levels;
- Quality of service delivery; and
- Technical and vocational education training (TVET).

1.1.2. STANDARD DEFINITIONS OF TECHNICAL COOPERATION AND CAPACITY DEVELOPMENT

For clarity and the avoidance of doubt, but also in conformity with practices elsewhere, the present study employs standard definitions of technical cooperation and capacity development as used in publications of the Organisation for Economic Cooperation and Development (OECD):

“Technical cooperation is the provision of know-how in the form of personnel, training and research. It comprises activities that augment the level of knowledge, skills, technical know-how or productive aptitudes of people, as well as services (such as consultancies, technical support or the provision of know-how) that contribute to the execution of capital projects. Technical cooperation should include both free-standing TC that is embedded in investment programmes or included in programme-based approaches.” (OECD DAC, 2007: Statistical Reporting Directives).

As understood by the Government of Ghana, technical cooperation encompasses a broad range of activities involving donors and recipient government stakeholders, and typically includes:

- Provision of advice, technical support or assistance for institutional change;
- Developing and sustaining organisational capacities; and
- Improving human resource competencies through skills upgrading or professional training.

The term is also used to connote the supply of materials and equipment, study visits, consultancies and imparting knowledge-based training through seminars and workshops in order to improve capacities. Technical cooperation could also come along with the provision

of resources for infrastructural development. Indirectly GBS or SBS can provide resources that eventually can be used by Government to procure TC services,

The main elements of DAC donors' technical cooperation programmes are: study assistance through scholarships and traineeships; the supply of personnel, such as experts, teachers and volunteers; and research on the problems of developing countries, among others.

It is important to note that the OECD distinguishes between technical cooperation (TC) and technical assistance (TA): TC relates to free-standing activities that have the primary purpose of increasing the stock of the recipient's human intellectual capital and its institutional capacities; TA relates to labour and expertise provided as part of the implementation of capital projects. Stakeholder institutions in Ghana use the term "technical cooperation" to cover both TA and TC as defined by OECD.

1.1.3. WHAT IS "CAPACITY DEVELOPMENT"?

Capacity Development is defined by the DAC as "the processes whereby people, organisations, and society as a whole manage their affairs". It is also about "retaining, unleashing, strengthening, adapting and maintaining capacity over time". Moreover, "promotion of capacity development" refers to what outside partners - domestic or foreign - can do to support, facilitate or catalyse capacity development and related change processes." (Source: OECD 2006, *The Challenge of Capacity Development: Working Towards Good Practice*).

It is important to stress three attributes of this definition:

- It is deliberately simple and avoids any judgment on the objectives that people choose to pursue, or what should count as success in the management of their collective efforts;
- It involves three levels: individual, organisational and the enabling environment. These levels are interdependent and the approach entails a concern with the wider political economy of change, but continues to treat capacity development as a distinct challenge and entry point for intervention apart from wider efforts to build the state or promote good governance; and
- It emphasises that not all that comes under the heading of technical cooperation or technical assistance contributes to capacity development.

In embracing these standard definitions, the present study also uses the term to denote *processes* by which partner countries are enabled to make better use of existing capacities and to further develop capacities at three levels: (i) the individual level; (ii) the level of organisations; and (iii) the institutional and political level.

Applied to PFM and education sector reforms in Ghana, it relates to the ability of both financial and non-financial public officers (including parliamentarians, heads of schools and

tertiary education institutions) and their organisations to perform the financial management function in the public (including the education) sector. This thematic function is primarily a support function that provides services to those in the front line that actually deliver public services, be it in education or PFM.

In Ghana, the government requires some level of capacity development in education and public sector institutions at national, regional, district and local authorities' levels; at the committees of Parliament; and even at tax regulatory organisations, as well as the accounting and auditing profession.

It is assumed that capacity development may be in different forms, such as through changes in:

- (i) Legal or institutional mandates;
- (ii) Individual roles and responsibilities;
- (iii) Work practices and procedures;
- (iv) Systems and processes, especially for planning, monitoring and evaluation;
- (v) Leadership and management changes;
- (vi) Knowledge and skills, communication and learning processes; and
- (vii) Motivation, incentives and reward structures.

In making these assumptions the following are taken into account:

- Capacity is important because of its relationship to the performance of country systems, particularly in delivering basic goods and services, and providing a suitable policy and regulatory environment for development to take place;
- Country ownership of policies and programmes is premised on the capacity to exercise it; ownership will not begin to emerge in the absence of sufficient local capacity. The relevant capacities include those that allow mediation among the plurality of interests and constituents within the country, so that compromises and shared commitments can be arrived at;
- The stock of human capital and the supply of general and technical skills are important; however, the country's ability to use skilled personnel to good effect depends on the incentives generated by organisations and the overall environment; and
- Capacity development is necessarily an endogenous process of change. Because it involves much more than awareness of technical subjects and general organisational principles, it cannot be wholly imported. Donor organisations with a mandate for supporting capacity development in partnership with beneficiary government

stakeholders should be at the forefront of the movement emphasising country ownership of change initiatives.

1.1.4. METHODOLOGY

The rest of the report is organised into four chapters according to the “conceptual framework methodology and analytical approach” developed by HRDC for the Joint Study on Effective Cooperation for Capacity Development (October 2007). The rest of Chapter I discusses the trends and patterns of technical cooperation, the policy and operational environment for technical cooperation in Ghana, and the overall findings on effectiveness of technical cooperation at the national level.

Chapter II deals essentially with the overall situation analysis at the thematic levels. It reviews the policy and strategic context, the patterns and trends in technical cooperation, the coordination mechanisms in the two thematic areas of education and PFM, and also addresses the issues of complementarity of technical cooperation with other instruments for capacity development.

Chapter III is an analysis of good-practice experiences and lessons drawn from the thematic levels. It is basically an assessment of the overall effectiveness of technical cooperation at the sector level, and discusses six evidence-based experiences of good-practice examples of technical cooperation in terms of:

- Country-led technical cooperation planning;
- Flexible and responsive technical cooperation design;
- The impact of technical cooperation on organisational change management;
- Country-led technical cooperation implementation and management;
- Complementarity of technical cooperation and other support; and
- The effect of technical cooperation on organisational learning and sustained change.

The overall lessons learnt from these experiences are also summarised in this chapter. Issues identified, key recommendations and conclusions are presented in Chapter IV of the study.

Key issues raised in the study have been based on desk research-work, on-site and phone interviews of a representative sample of development partners and senior government officials, and findings from a questionnaire-administered sample-survey of beneficiary country-stakeholder institutions in the thematic areas of education and public financial management. In view of the short time available, the number of persons interviewed had to be limited; the sample of well-informed government officials is nonetheless representative of the two thematic areas.

1.2. TECHNICAL COOPERATION TRENDS AND PATTERNS IN GHANA

Ghana has enjoyed very high levels of foreign aid, including technical cooperation support, from development partners since the turn of the millennium. According to data reported by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD), the levels of net official development assistance (ODA) flows to Ghana more than doubled from US\$3.1 billion in 1997-2001 to US\$6.4 billion in 2002-2006. The sharp increase was mainly the result of increased multi-donor budget support and scaled-up aid flows on the part of development partners, Ghana having successfully reached Completion Point of the HIPC process in July 2004.

Technical cooperation support (defined here to include loans, grants, equipment supplies, sponsorship of study tours, training and recruitment of contractors, etc) is reported to have increased from US\$2.6 billion in 1997-2001 to US\$45.5 billion in 2002-2006 – representing about 86% of net ODA flows (see Table 1.1).

In 2003, the government of Ghana signed a framework memorandum with nine development partners governing the first year of budgetary support, to implement the country's poverty reduction strategy. This Multi-Donor Budgetary Support (MDBS) represents a move away from a sectoral, project-driven approach to development assistance, and its rationale is to ensure predictability of inflows, influence how resources are used, and reduce the costs of transactions in not having to do individual reviews and discussions with each development partner. External flows from MDBS from 2003-2006 were about 18% of net ODA flows.

Traditionally, both bilateral and multilateral donors have supported Ghana's development efforts through aid pledges and disbursements. Aid disbursements from both bilateral and multilateral donors to Ghana have been relatively more stable and less volatile than had hitherto been the case. It is reported for example that disbursements averaged about 64% of pledges in the 1990s but have improved since 2002 to about 90% of total pledges.

Technical cooperation from bilateral donors (excluding MDBS flows) increased by almost 266% from levels of about US\$667 million in 1997-2001 to reach US\$2.4 billion in 2002-2006; over the same period, technical support from multilateral donors (excluding MDBS flows) increased by less than 3% from levels of US\$1.89 billion to US\$1.94 billion. Consequently, the share of technical cooperation support from bilateral donors at 55.8% of total TC support (excluding MDBS flows) exceeded that of multilateral donors at 44.2% of the total (see Table 1). The trend reflects the increasing number of bilateral donor missions establishing bases in Ghana and making significant contributions to the country's development agenda.

The available data also indicates that TC support to Ghana has shifted more from loans to grants and support to institutional and organisational change management. The loans component of technical cooperation support fell from 54.8% of the total in 1997-2001 to 20.5%; over the same period, the grants element increased from about 29% to 45% of the

total support, while the component for institutional development rose sharply from 9% in 1997-2001 to 22.6%. The latter reflects the increased focus on institutional capacity development and organisational change management as required by the Government of Ghana. Indications are that development partners are responding positively to government's requests to strengthen institutional capacities and management competencies in public sector organisations.

Table 1: Technical Cooperation Support to Ghana, 1997-2006 (classified by Sectors and Type)

	2002-06	1997-2001
Net ODA Flows (USD million)	6,422	3,058
o/w Technical Cooperation Support (US\$ million)	5,504	2,551
% Share of Net ODA	85.7%	83.4%
o/w TC Support (excluding MDBS) USD million	4,355	2,551
Multi-Donor Budget Support (US\$ million)	1,149	-
% Share of Net ODA	17.9%	0.0%
Donor Shares of TC Support to Ghana		
Multilateral Donors (US\$ million)	1,913	1,875
Bilateral Donors (US\$ million)	2,442	677
Multilateral Donors (% of Total TC Support)	43.9%	73.5%
Bilateral Donors (% of Total TC Support)	56.1%	26.5%
Sectoral Shares of TC Support		
Multi-Donor Budget Support	20.9%	0.0%
Agriculture (including Forestry and Fishing)	3.5%	23.7%
Private and Financial Sector Development	2.9%	12.2%
Energy	3.5%	5.2%
Transport	14.4%	23.4%
Health (including HIV/AIDS)	21.2%	10.0%
Education	21.8%	10.5%
Water & Sanitation	10.8%	4.6%
Public Financial Management	1.5%	1.7%
Rural Development	1.1%	1.4%
Urban Development	1.0%	2.7%
Civil Society and Democracy	18.5%	4.6%
Composition of Technical Assistance Support		
Loans	20.6%	54.8%
Grants	45.2%	29.4%
Equipment Supplies	3.0%	3.0%
Institutional Support & Organisational Management	22.7%	9.1%
Training (incl. external consultants, R&D and M&E)	0.2%	4.7%

Source: Based on Country Database of the DAC of the OECD: ODA flows to recipient countries

On the other hand, very little has changed in terms of share of supplies of equipment and hardware in total TC support, but interestingly the level of TC support to training (including sponsorship for study tours, monitoring and evaluation, and recruitment of consultants) has been on the decline in 2002-2006.

In terms of sectoral distribution of technical cooperation support to Ghana, the bulk of the support (excluding MDDBS flows) continues to be channelled to four key sectors, namely:

- Road Transport: 14.3%;
- Health (including HIV/AIDS): 21.1%;
- Education (including vocational training): 21.7%; and
- Water and Sanitation: 10.7%.

The share of technical cooperation support to these four sectors together has risen from 48.5% of the total sectoral support in 1997-2001 to 67.8% in 2002-2006. The increased share reflects increased commitment on the part of development partners for continued technical cooperation support in order to address the myriad institutional development bottlenecks and organisational management problems in these sectors. There are indications that development partners, working together with government, are using a variety of funding arrangements to fit within a sector-wide approach (SWAp) and to implement capacity development programmes according to the policy strategies of government and to use resources more rationally and optimally in order to strengthen the capacity development requirements of the country's national strategies and policies.

Technical support to civil society activities (including support to the electoral process, child rights promotion, micro-, small-, and medium-scale projects, and community development) has recently been scaled up, rising from 4.6% of total sectoral support in 1997-2001 to 18.4% in 2002-2006. On the other hand, technical cooperation support to Agriculture (including forestry and fishing) and to Private Sector Development (including banking and financial services, business services, and mineral resources and mining) witnessed declines in 2002-2006 relative to 1997-2001. In both cases, the decline reflected a switch from project loans and grants to more of equipment supplies and developing institutional capacities (on a small-scale).

Apart from the Public Financial Management (PFM) thematic area, which witnessed a marginal increase in shares, all other sectors, including rural and urban development, were allotted smaller technical cooperation support in 2002-2006 relative to 1997-2001.

Overall, the emerging trends of TC support to capacity development in Ghana has been promising, with almost 45% provided on grants basis and 26% to support capacity development at institutional and organisational levels. TC support for training has been particularly disappointing; a lot more resources should be channelled in this direction to strengthen the competencies of current and potential mid-level personnel who would be

managing the day-to-day administrative and professional functions of government ministries, departments and agencies (MDAs).

1.3. OVERALL POLICY ENVIRONMENT FOR TECHNICAL COOPERATION

Ghana has for long remained one of the aid community's favourite countries in the West African sub-region. Beyond the historical and geopolitical considerations that influenced external aid and technical cooperation support to Ghana in the 1960s and 1970s, Ghana in the late 1980s and early 1990s benefited from its willingness to pursue economic reforms and structural adjustments.

In the late 1990s, the pursuit of democratic governance endeared Ghana to the global aid community. At the turn of the new millennium a number of factors reinforced donors' enthusiasm to scale up aid and technical cooperation support to Ghana. Among these were:

- The successful transfer of political power from one elected government to another and the new government's commitment to the rule of law and democratic governance;
- The adoption and implementation of a country-led, country-designed poverty reduction strategy which involved the participation of civil society organisations;
- The successful completion of the HIPC process in July 2004; and
- The voluntary submission of Ghana to the African Peer Review Mechanism (APRM) – the first of its kind in Africa.

In addition, the country is deploying its own resources to its development objectives, notably increasing poverty-related expenditure from 7.7% in 2004 to 10.5% in 2006. Overall investment is 30% of GDP and Ghana now has a far stronger debt sustainability perspective than before.²

Ghana's National Development Planning Commission (NDPC) has been responsible for preparing both long-term and medium term national plans. These planning processes, and equivalent exercises down to the district level, are constitutional requirements. Although their form and content has changed under different administrations, a constant factor is that the Government of Ghana believes it provides the basic framework for the country's development policies. This places Ghana in a unique position to roll out decision making on external aid flows and technical cooperation negotiations to decentralised district and local authorities.

² See World Bank (2007), p. ii

The country's first national development strategy at the turn of the millennium – the Ghana Poverty Reduction Strategy (GPRS I) – was implemented from 2003 through 2005, with the aim of generating growth, controlling inflation and increasing expenditure on programmes targeting the poorest and most vulnerable in society. A second generation GPRS – the Growth and Poverty Reduction Strategy (GPRS II) – was produced by government in late 2005 with an ambitious overarching goal of raising average per capita income levels to middle-income status by 2015, i.e., from about US\$400 to about US\$1,000.

GPRS II, which is to be implemented over 2006-2009, is basically an agriculture-led strategy which seeks to diversify the economy's structure from traditional cocoa to non-traditional agricultural crops, and emphasises policies to promote equitable growth that will be sustainable over the medium to long-term. GPRS II presents its strategies and actions according to three thematic pillars:

- Private Sector Competitiveness (Pillar I);
- Human Resource Development (Pillar II); and
- Governance and Civic Responsibility (Pillar III).

Strategic priorities under Pillar I include (i) improving the enabling environment for business, including trade and financial services; (ii) facilitating stronger regional integration to stimulate productivity and trade links; (iii) enabling agricultural producers to improve productivity, diversify crops and expand production for exports; and (iv) scaling up investment in energy generation and distribution and in transport infrastructure.

The priorities across the second pillar include (i) enhancing the quality and efficiency of basic service delivery; (ii) improved targeting of services and preventive actions to undeserved areas and vulnerable groups; (iii) ensuring financial sustainability in service delivery and social protection measures; (iv) clarifying roles and responsibilities of line ministries and district governments and ensuring effective flow of funds to district levels; and (v) focusing on the role of education and health in raising productive capacity of the labour force.

Cross-sectoral priorities under Pillar III include: (i) upgrading public expenditure and financial management, in particular strengthening value-for-money structures related to public expenditure and investment; (ii) reforming the civil service, with an emphasis on measuring results and citizens participation and improving the transparency and accountability of government operations; (iii) strengthening the oversight capacity of non-executive bodies (Parliament and other bodies) and the capacity of citizens and non-state actors to engage in national development and to fight against corruption; (iv) enhancing the representation and participation by women with clearer accountability for gender equality outcomes across government departments and local authorities; and (v) improving statistical services and data analysis, enhancing their utilisation in policy and decision making and widening information-sharing to strengthen social accountability.

In spite of the laudable objectives of the strengthened focus on poverty reduction via broad-based growth and the priority attached to structural transformation of the economy, GPRS II has some limitations as a holistic, balanced and well-sequenced strategy. There are, for example, significant gaps in its coverage of factors seen as key to long-term growth, such as public sector reform. Government activities are not yet fully prioritised, and a framework for tracking implementation and results is still being developed.

Development partners consider that the GPRS II, together with the recommendations of the APRM, provides an acceptable basis for aligning their support over the short- to medium-term. With few exceptions, major donors have affirmed their commitment to a Ghana Partnership Strategy (GPS) agreed at a Consultative Group (CG) meeting in November 2005³.

The CG meeting of November 2005 also provided the occasion to develop a more prioritised results matrix that spells out how external partners' activities are aligned with the GPRS. It also included a Ghana Harmonisation Action Plan (G-HAP) indicating actual and projected disbursements by development partners according to the pillars of the GPRS II. In this way, an overview of the actual and projected disbursements provides the basis for more predictable funding.

One of the requirements of the G-HAP is that aid flows be aligned to national priorities by mid-2008, with the issuance of a Government Aid Policy that clearly defines frameworks for external assistance to Ghana (including aid modalities, budgeting protocols, alignment requirements and partnership behaviours). The G-HAP also envisages that development partners increasingly use the Ghana public financial systems for channelling aid flows and technical cooperation support in order to reduce the number of multiple financial systems and strengthen PFM systems in Ghana every 12-18 months.⁴

Box 1: National Capacity Building Policy

Even though the Government of Ghana has committed itself to capacity building for development, there is no documentation that explicitly articulates a national strategy for government capacity building and support. In the past decade, there have been a few sector strategies – in transport, health and until recently education – involving sector-specific capacity building.

In education, for example, there were a series of overseas training programmes earmarked for public sector personnel, civil society organisations and the private sector for which scholarships were awarded and administered by the Scholarships Secretariat. Foreign embassies and institutions such as the British Council, USAID, JICA, and a number of bodies under the aegis of the United Nations supplemented these efforts as well.

³ See World Bank (2007), p.14

⁴ These and a host of national and sectoral targets are contained in the Ghana Harmonisation Action Plan (G-HAP), June 2007-December 2008. Some of the set targets, including strengthening of procurement systems, aligning external aid flows to the health sector and meeting other sectoral reviews, have been met satisfactorily.

There have been major initiatives since the early 1990s to improve the capacity of the public sector and the quality of public services. These initiatives focused generally on three dimensions: organisational change to manage service delivery; institutional development to improve policies and procedures; and human resource development involving professional training and skills development to improve productivity. Each sector ministry developed an explicit reform agenda and related capacity building programmes, but there was little effort to integrate these into an explicit national capacity building strategy.

Many of the public sector reform initiatives were supported by the World Bank Group and other development partners. In an assessment of some of the initiatives undertaken in the public sector, the World Bank observed as follows:

“The capacity building effort has been piecemeal and not managed as a sequenced, mutually-reinforcing whole. There are broad goals for policy and institutional reforms, but not specific measures or indicators to assess the impact of human resources development, organizational effectiveness or institutional reform for improved public services. Capacity building continues to be viewed as a means to other objectives rather than as a goal in itself, with corresponding analytical underpinnings, program design, and monitoring and evaluation.” World Bank: An Independent Review of Support to Capacity Building in Africa – The Case of Ghana, March 2005, page 11.

Fortunately, many DPs have since 2003 committed to support priority capacity development initiatives in accordance with the overall policy strategies of the government. To facilitate the process government has accepted to define in very clear terms, an aid and external resource mobilisation strategy that would provide guidance for development partners. Civil society groups and the parliament in Ghana are to be involved in a more structured and transparent manner to monitor the policy dialogue and participate in the design of the technical cooperation mobilisation strategy.

Building on this, a Ghana Joint Assistance Strategy (G-JAS) has been prepared for 2007-2010. The G-JAS builds on commitments by development partners (representing about 95% of official development assistance flows) who wish to take the support of the GPRS II one step further. It consists of five interlinking elements that contribute to a comprehensive approach on the part of DPs to the aid relationship in Ghana:

- A joint assessment of the current Ghana situation (political, economic, and social);
- A joint description of the major challenges facing Ghana in the quest to achieve the MDGs and middle-income status;
- A statement of the principles and commitments on how development partners will work with each other, with government, and with civil society and private stakeholders;
- Priorities for the joint DP response at the GPRS II pillar and sector levels; and
- Arrangements for results monitoring.

1.4. OPERATIONAL ENVIRONMENT FOR TECHNICAL COOPERATION IN GHANA

1.4.1. TC COORDINATION MECHANISMS

Current arrangements for managing technical assistance and development aid in Ghana locate the Ministry of Finance and Economic Planning (MoFEP) in the lead position to coordinate and manage the aid and technical cooperation relationships between the Government of Ghana and her development partners (DPs), including bilateral and multilateral donors. At the national level, coordination of technical cooperation support entails the involvement of sector ministries and other stakeholders as well as designated officials of the MoFEP in all bilateral and multilateral sector-DP discussions and negotiations.

Since the late 1990s, there have been strenuous efforts at building joint coordination mechanisms with donors to (i) improve dialogue; (ii) avoid technical assistance (TA) fragmentation caused by continuing requests for bilateral assistance; (iii) reduce transaction costs resulting from using different procedures for continuing bilateral support; and (iv) provide the surety of funding for capacity development, with a focus on institutional and organisational change management.

Ghana was among the first countries in 1999 to pilot the Comprehensive Development Framework (CDF) initiative⁵, which aspired to bring external partners together to finance development programmes formulated by developing countries themselves rather than support numerous individual projects many of which had a nebulous semblance of country ownership. The immediate effects of the CDF included:

- The formation of fourteen government-led thematic ‘CDF-groups’ for coordinating dialogue between government and Ghana’s development partners; and
- Hosting in Accra of Consultative Group (CG) meetings (traditionally held in Paris) between development partners and the Government of Ghana.

Box 2: Potential Risks and Benefits of Direct Budget Supports

The Growth and Poverty Reduction Strategy (GPRS II), and before that the GPRS I, created the momentum for a group of DPs to align their assistance under a common MDDBS framework agreed with the GoG. The DPs and the GoG consider the MDDBS as the basis for support to the implementation of the GPRS through the budget. In late February 2005 the GoG and nine DPs agreed to work together according to the principles established in the paper “Harmonisation and Alignment

⁵ Pilot initiative launched by the World Bank in 1999 and involved 12 countries including Ghana

in Ghana for Aid Effectiveness: a common approach for Ghana and its Development Partners”.

There are indications that aid predictability has improved since the MDBS was introduced. The selection of conditionalities based on government’s GPRS and sector plans; improved information sharing among donors; and the coordinated policy dialogue and additional budgetary resources seem to have provided the focus and resources for government to concentrate on key cross-cutting reforms such as public financial management. This has helped government to accelerate progress in areas that are critical for sustained and uninterrupted budget support.

According to a Senior Economic Analyst at DFID Ghana, *“the year before the MDBS was introduced, less than half of planned budget support was disbursed. Disbursements rose to 90% of the planned amount in 2003, and just over 100% in 2004”* (see Walters, 2005).

There are other benefits of the MDBS mechanism as well. There is a general feeling that while donors play a key role in the preparations and assessments, the government’s team appears to have strengthened coordination among ministries and exerted their leadership. The general sense is that the MDBS programme and its associated reviews, policy matrices and policy dialogue provide an opportunity for government officials to sharpen prioritisation, the management of the GPRS and an interface between the budget, cross-cutting reforms and sector policies, and foster government-wide coordination and accountability for the implementation of the GPRS.

One of the expected benefits of the budget support approach is that it shifts accountability for spending and service delivery from donors to the Executive and ultimately Parliament. Donor support provided directly to line ministries that bypasses government’s PFM systems undermines accountability, the budget process and the role of MoFEP. For example, a recent assessment has shown that only 15% of the Ministry of Education’s non-salary budget comes from the consolidated fund, with the rest coming from a statutory fund, internally generated funds and donor projects.

Given the dependence of key ministries on direct support this has raised concerns that a rapid switch to budget support will leave ministries short of critical non-salary budgets. On the other hand there needs to be a significant shift in the share of budget support to improve incentives for government to improve the budget process by bringing a greater share of the budget under the control of MoFEP and the PFM system.

To further facilitate regular dialogue with and among development partners, the government introduced bi-annual mini-CG meetings as well as sectoral partner groups (SPGs) that meet regularly and are led by line ministries and national stakeholder organisations with clearly-defined focal support from specific development partners. These sector groups and CG meetings provide the forum for needs assessments of the country’s technical assistance requirements and the modalities as to how and when to provide such support.

In very broad terms, the needs assessments consist of: (i) understanding the levels of capacity development required; (ii) identifying the components of the capacity development; and (iii) developing possible scenarios that account for the priorities of capacity to be developed, the course of action and steps to be taken, and the timeframe within which to provide the technical assistance support to government and other stakeholder institutions.

1.4.2. IDENTIFYING CD GAPS AND TC NEEDS

There were also efforts aimed at identifying capacity development gaps in attempts to match these with adequate TC support. At the November 2005 Consultative Group/Annual Partnership Meeting (CG/APM), the Government of Ghana together with development partners endorsed and updated the Ghana Partnership Strategy (GPS) for the CG/APM in June 2006. This strategy comprises:

- A results matrix which maps DP-funded activities to GPRS II policy priorities;
- An annual harmonisation action plan, the Ghana Harmonisation Action Plan (G-HAP), indicating actual and projected disbursement of DPs' technical assistance support to the pillars of GPRS II; and
- An overview of external assistance as driven by the three GPRS II pillars and sectors.

Thus, the GPS provided a framework for jointly monitoring the effectiveness of development assistance in supporting GPRS II. It also presented the opportunity for donors working in partnership to identify capacity development gaps, screen TC needs of government stakeholders, and make recommendations for filling in the gaps with appropriately well-structured and well-designed technical assistance support, involving stakeholders.

Box 3: Silent Partnerships in Coordinating Capacity Development

'Silent' or 'delegated' partnerships between DPs take on different forms in different settings. They can involve an agreement between two (or more) DPs to share technical/advisory resources in order to represent one another in policy dialogue (often called 'silent' partnership). They can also involve one DP managing the financial contribution to a programme or project of another partner (sometimes called delegated contribution). The value of such partnerships is two-fold. First, they reduce the number of DPs around the policy table and make technical coordination simpler, and second, they facilitate the promotion of common understandings and positions among DPs.

Silent partnerships are also facilitating coordination and common understanding among external partners at the technical level (see Box 3). In addition, there are a number of joint analyses and joint capacity development activities. It has been reported, for example, that in the area of natural resources and environmental management, a joint approach is emerging supported by a joint Country Environmental Analysis (CEA). Development partners are also reported to undertake joint external reviews of public financial management every 18 months, and are currently participating in a joint evaluation of the MDBS⁶.

⁶ See IDA (2007): Country Assistance Strategy for Ghana, FY08-11, May 31, p. 26

1.4.3. MODES OF DELIVERY OF TECHNICAL COOPERATION

Various donors and development cooperation agencies employ different mechanisms for the delivery of technical cooperation for capacity development in Ghana. Technical assistance may be delivered through long-term or short-term advisors, twinning relationships or training; it may also be delivered as ‘stand-alone’ (free-standing) projects or as capacity building instruments using programme-based approaches (PBAs) involving some form of basket funding, pooled TA, and other joint modes of delivery such as general or sector budget support (see Box 4 for some definitions).

Over the last five years or so, there seem to be a gradual shift from ‘stand-alone’ projects to project ‘clustering’, typically in the form of pooling funds under some loose sector-wide approach (SWAp). Under the SWAp implementation arrangement (such as is emerging in the education sector), major donors provide support within an agreed framework coordinated by the government. Donor support can then be linked to a unified public expenditure framework for government and donor resources, with common management and reporting arrangements.

There is also the increasing use of a PBA arrangement under which the donor agency makes a direct contribution as its mode-of-delivery of TA for a number of projects. Under such arrangements (as in the Good Financial Governance programme being spearheaded by GTZ), beneficiary stakeholders are typically not granted funds but specific inputs, such as expertise (long-term and short-term expert assignments), sponsorships of training and study tours, supplies of materials and equipment and on a limited scale direct transfer of funds.

It is not exactly clear which delivery mode is more beneficial for capacity development in Ghana. Any future work in this area should make a deliberate effort to get such views into discussion. Nevertheless, lessons elsewhere indicate that many arrangements that aim to be “full” pooling end up in practice as “loose” and often remain so for a considerable time on account of weak national management capacities. Such lessons suggest that applying a mix of TA mechanisms can be a useful strategy if it is government-coordinated and if it falls within a coherent strategy of capacity development⁷. So far this has been the situation in the Ghanaian context, and it appears to be delivering positive outputs.

Box 4: Definition of TA Modalities

Project Aid: A form of aid to finance specific activities with a limited objective, budget and timeframe to achieve specific results. Here, objectives require inputs to be linked to outputs. The project approach is based on the identification of a specific area of intervention for donor involvement and the targeted use of funds for specific activities for which the objectives, outputs and inputs required to achieve them have been defined.

⁷ See Hauck and Baser (2005)

Budget Support: A form of financial aid to channel donor funds directly to the partner government's budget, using the government's own allocation and accounting systems, with any conditionality focused on policy measures related to growth, poverty reduction, fiscal adjustment and strengthening institutions, especially budgetary processes. Budget support is divided into: (i) general budget support (GBS)—a general contribution to the overall budget; and (ii) sector budget support (SBS)—earmarked to a discrete sector (with any conditionality relating to the sector).

Pooling Funds: A form of aid to pool donor funds to the government's accounts. The government manages and accounts for funds, preferably using standard budget procedures indistinguishable from those used for government revenues. Funds are earmarked to the activities in a specific sector.

Sector-Wide Approach (SWAp): SWAp is not a modality per se; it is the approach to increase donor alignment with government policy and expenditure framework. SWAp can encompass a wide range of instruments, from a set of coordinated projects to the provision of SBS and sector pooling fund arrangements. SWAp usually includes three components: (i) an approved sectoral policy document and overall strategic framework, which define government priorities; (ii) a medium-term expenditure framework for the sector; and (iii) a coordinated process among donors in the sector, led by government.

It is important to note that there is diversity even within the same modality. While project aid (including technical assistance projects) is often criticised for bypassing government systems and imposing transaction costs on the recipient government, a variety of options exist for its procedural arrangements. For example, there are cases where a donor directly controls all funds; but other cases exist where a donor disburses funds into a bank account maintained by the recipient government and entrusts the government to organise procurement. Some projects operate through Project Management Units (established within or outside the recipient institutions) while others do not (and directly work with counterpart personnel in the recipient institutions).

Source: Ohno and Niiya (2004), page 3

1.4.4. MODES OF TA MANAGEMENT AND PROCUREMENT

Management and procurement practices regarding technical assistance vary from one donor to the other, most often reflecting the policy guidelines and practices of the respective donors' governments. Despite the different procurement practices, the management of the technical assistance intervention remains the joint responsibility of the donor agency and the Government of Ghana and the relevant stakeholders.

An overview of donor programmes in Ghana indicates the following basic modes of managing TA resources and their procurement:

- Procurement and TA management by subject specialists and donor staff (favoured by smaller OECD donors);
- Procurement and contract management by specialised in-house cell (favoured by multilateral donors, including the UNDP, WB and some bilateral donors);

- Outsourced procurement via a contracted managing agency (favoured by many bilateral donors); and
- Co-financing in partnership with multilateral agencies and the UNDP (favoured by the African Capacity Building Foundation, ACBF and some bilateral donors).

In most, but not all, public purchasing laws, rules and guidelines are based on promoting competition for government contracts in donor countries to achieve value for money and overall economic efficiency. Donors may also use the procurement of technical assistance to promote particular policies, both through the fields in which they decide to provide technical assistance and through the specifics of their procurement procedures, whether through specifications, e.g. specifying the policies to be promoted, or through the selection of the service providers, choosing those with known policy approaches.

All procurement considerations satisfy the following principles encapsulated in OECD policy directives:

- Technical assistance funded by donors is provided against the background of broad agreement with the host government's development strategy;
- Specification of TA is mostly "demand-driven", i.e., directly requested by the Government of Ghana to fulfil its development objectives; and
- Specific TA requisitions are typically provided on the basis of competition and value for money.

Policy issues arise at all stages of the procurement process – identification of need; specification of the services and equipment to be purchased; tendering and selection procedures; contracting procedure; and evaluation. But, in general, standard procedures for the procurement of services are always used.

1.4.5. MONITORING AND EVALUATION

Typically, evaluation occurs at all stages of the procurement process involving both the TC provider and beneficiary stakeholders, but it is also an important stage in itself. Indications are that even though evaluation is undertaken by both TC providers and the government throughout the duration of the technical assistance, end-of-contract evaluations are mostly done by development partners alone without the involvement of beneficiary stakeholders.⁸

⁸ These are some of the findings from the survey of beneficiary stakeholder institutions undertaken as part of this study

1.5. OVERALL FINDINGS ON EFFECTIVENESS OF TECHNICAL COOPERATION AT THE NATIONAL LEVEL

Until about the late 1990s when technical cooperation processes began to be coordinated in a more organised manner in Ghana, capacity development at the national level was in three dimensions:

- The training and development of skilled personnel to man institutions;
- The creation of institutions for skilled personnel to work in; and
- The provision of financial resources and external technical assistance to promote organisational change in order that technical cooperation support fulfils the mandate of capacity development.

National actors were mainly those in the civil and public services, with little consideration given to those outside of the public and civil service system. Technical support was given to capacity development in agriculture, industry and banking and financial services, and typically involved long-term project loans from multilateral donors such as the World Bank and the African Development Bank.

In addition, coordination of technical assistance was haphazard and biased towards project-type assistance from development partners, and was characterised by the following practices:

- Technical assistance to Ghana was not closely aligned to the development agenda of the country;
- The operations of TC support were mostly competing and duplicating each other, with little focus on building capacity; and
- There was very little monitoring and evaluation to ensure effectiveness of their utilisation so as to add value and make a direct impact on local effort.

The reality is that Ghana neither had any formal policy on development cooperation nor an informal policy regarding the use of technical cooperation, or the relative balance between technical assistance projects, sector-wide approach (SWAp) arrangements and budget support.

This trend continued well into the 1990s but appears to be reversing at the turn of the millennium and particularly with the introduction and implementation of multi-donor budget support to Ghana since 2003. The number of foreign actors – mainly bilateral donors – has also increased to include a number of multilateral donor institutions such as those under the United Nations system, as well as global non-governmental organisations (NGOs).

At the national level, it can be said that improving the effectiveness of technical cooperation support for capacity development has been gradual and gathered momentum since 2003 following the introduction and implementation of multi-donor budget support (MDBS) in Ghana. There has been a conscious and concerted effort since then at building mutual partnerships among development partners and government stakeholders with the aim to improve the effectiveness of technical cooperation and link this with the capacity development requirements of the Government of Ghana. For example, a harmonised partnership mechanism for the disbursement of budget support has been created to assist the implementation of the government medium-term expenditure framework (MTEF). This mutual partnership has also succeeded in creating common structures for dialogue between government stakeholders and development partners on a bi-annual programme of substantive discussions, including a formal annual progress assessment. Also established is a disbursement schedule explicitly linked to the budget cycle and the creation of a common set of benchmarks for tracking progress, based on a performance assessment framework matrix.

Building on this, the Ghana Joint Assistance Strategy (G-JAS) has been prepared for 2007-2010 and development partners have committed to take their support of the GPRS II one step further. For 2007-2010, development partners have projected financial flows of US\$5.3 billion, of which two-thirds would be provided on a grant basis and one third on a concessional credit basis. Of the assistance flowing to the government sector, US\$1.4 billion is expected to be in the form of budget support and US\$3.9 billion to be provided for sectoral programmes. It is expected that the breakdown of sector level assistance will be in the order of US\$2.3 billion for Pillar I, US\$1.2 billion for Pillar II, and US\$368 million for Pillar III.⁹

From the perspective of the Government of Ghana, the benefits of the mutual partnerships (including the MDBS process) are:

- The reduction of transaction costs associated with technical cooperation flows, particularly those transaction costs arising from meeting the conditions attached to these flows;
- Increased predictability of technical cooperation flows, allowing for better long-term planning;
- Increased institutional capacity strengthening;
- Increased democratic accountability to the electorate;
- Institutionalised strategic policy dialogue; and
- Increased local ownership of the national development policy.

⁹ See World Bank (2007), section 5.1, p.28

At the macro level, one can draw tentative conclusions that the implementation of the MDBS programme, working in concert with the IMF's poverty reduction and growth facility (PRGF), has bolstered the government's efforts to stabilise the economy. Over the past four years, this has resulted in sustained growth of about 6% per annum, control of inflation despite rising crude oil prices on world markets, falling fiscal deficits, and borrowing at lower interest rates. At the same time, revenue collection has increased on account of efforts at building capacities at revenue collecting agencies and strengthening the tax policy unit of the MoFEP. HIPC completion point has been achieved, and an ever greater share of resources is being allocated to poverty reduction expenditure on account of HIPC relief resources.

Much of the success can be attributed to the considerably strengthened coordination and alignment of TC support to the country's development agenda. The general sense is that the mutual partnership programmes together with their associated reviews, policy matrices and policy dialogue should provide an opportunity for government officials to sharpen prioritisation of the management of the GPRS cross-sectoral collaboration with increased fervour and thrust.

One of the critical findings worthy of note is that while the emerging trends of TC support to capacity development in Ghana has been promising, with almost 45% provided on a grants basis and 26% to support capacity development at institutional and organisational levels, the support for training has been particularly disappointing. A lot more resources must, therefore, be channelled in this direction to strengthen the competencies of current and potential mid-level personnel who would be managing the day-to-day administrative and professional functions of government ministries, departments and agencies (MDAs).

Much more also needs to be done in improving coordination at the national level. First, technical cooperation must respond to clearly established national manpower needs. Ghana must be able to say that this is 'our' manpower situation and here are the critical gaps that technical assistance is needed to fill. Related to this is the urgent need on the part of the Government of Ghana to come out with an External Aid and Technical Cooperation Policy with clearly defined frameworks for external assistance to Ghana (including the modalities, budgeting protocols, alignment requirements, procurement rules and guidelines and partnership behaviours). This also calls for strengthening the Aid and Debt Management Division (ADMD) of the Ministry of Finance and Economic Planning, with the added focus of building a credible database on aid and technical cooperation flows into Ghana.

Second, technical cooperation ought to be results-oriented and linked to the needs of the national development agenda; and it can only be seen to be successful in the area of capacity building if the capacity that is built is the type that can be sustained over time. This calls on government to address institutional issues such as adequate staffing and remuneration packages for staff in order to sustain institutional and organisational change management systems. Studies have shown that capacity development in government institutions and

organisations will only succeed when government stakeholders view it as serving their own interests and are committed to taking the actions necessary to implement it.¹⁰

There is also the need for Ghana's development partners to ensure value-for-money through effective coordination and by ensuring that field operations are non-competing and non-duplicating, but focused on building capacity for poverty reduction at the regional, district and local authorities' levels.

Finally, there is the need for more vigorous monitoring and evaluation of technical assistance to ensure effectiveness in its utilisation so as to add value and make a direct positive impact on local efforts.

¹⁰ See OECD DAC, 2004: "Draft of Good Practice Note on Capacity Development in PFM", Working Party on Aid Effectiveness and Donor Practices, DCD/DAC/EFF, No. 22 (October 29) page 5

2. OVERALL SITUATION ANALYSIS AT THE SECTOR LEVEL

Sectoral reforms in the Ghanaian economy over the past decade were across-the-board, involving three dimensions of capacity building in institutional strengthening, organisational change management, and skills training and human resource development. Major reforming sectors included, but were not limited to, health, road transport, water and sanitation and education. This chapter of the report focuses on public financial management (PFM) and the education sector – two thematic sectors of ongoing capacity development reforms to which the Government of Ghana has expressed continued interest in giving a face-lift.

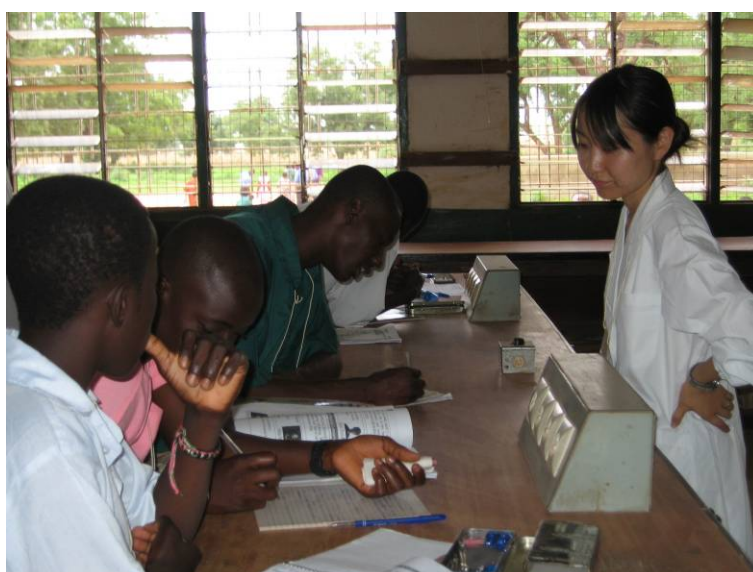
Discussions and analyses are organised in four sections along the following lines:

- The strategies, priorities and harmonisation plans for capacity development in PFM and education;
- The trends and patterns in technical cooperation support for capacity development in these sectors;
- Coordination mechanisms and some analytic deductions of how technical assistance is delivered to the thematic area of PFM and education sector reforms; and
- Complementarity mechanisms used in the delivery of technical assistance in support of capacity development in the PFM thematic area and education sector reforms.

2.1. OVERALL SECTORAL/THEMATIC POLICIES AND STRATEGIC CONTEXT

2.1.1. PUBLIC FINANCIAL MANAGEMENT PRIORITIES AND HARMONISATION PLANS

Public financial management concerns the effective collection of revenues and management of expenditure of public funds by governments. In Ghana, the government regards capacity development in PFM systems as very critical, as good financial governance encompasses competent and democratically legitimate policy formulation as well as effective, efficient, transparent, and rules-based



procedures for efficient resource allocation to priority needs. Government, therefore, realises that reform of ineffective financial management systems, processes and institutions is a prerequisite: (i) for long-term sustainable reduction of poverty; (ii) for effective and efficient use of limited public financial resources; (iii) for creating the highest level of transparency and accountability in government finances; and (iv) for generating more and better services for the Ghanaian populace. The flip side is that it provides an opportunity for effective development cooperation on the part of donors and development partners.

Over the last decade, PFM priorities of government focused on building capacities in budget formulation, revenue mobilisation and management, internal control and audit, external audit and debt management, legislative oversight, and fiscal decentralisation. This focus was not only to address weaknesses in budget formulation and implementation systems, but also correct deficiencies in accounting and auditing systems (including obsolete financial management laws and regulations). The overarching aim, therefore, was to make PFM an efficient system for facilitating effective delivery of services to the benefit of the citizenry as well as providing an accountability mechanism for controlling the wastage of public funds.

In 2002-2006, PFM priorities focused on strengthening capacities in five sub-themes:

- *Revenue Mobilisation and Management* – involving capacity development at the Revenue Agencies Governing Board (RAGB); equipment supplies and automation of the Internal Revenue Service (IRS); and strengthening competencies of staff and personnel of the revenue agencies (IRS and the VAT Service);
- *Budget Formulation and Expenditure Management* – requiring the establishment of a Tax Policy Unit at MoFEP to strengthen the efficiency of tax policy and tax administration; strengthen budget preparation; and improve expenditure monitoring and control.
- *Auditing and Monitoring* – with the objective of developing a financial auditing system that meets recognised international standards; strengthening the institutional practices and organisational management of the Ghana Audit Service (GAS), and establishing a performance audit unit to ensure that internal audits are pre-planned more effectively.
- *Public Procurement Procedures* – with the aim of establishing an oversight body, the Public Procurement Board (PPB), to oversee the management of public procurement; establishing a national procurement system to guide the use of state funds; providing a comprehensive procurement law and standard tender documents; and creating an interface between private and public sectors to eliminate shortcomings in public procurement processes.
- *Oversight Capacity of Parliament and Civil Society* – the aim is to strengthen accountability, transparency, and participation in public financial management through support to the Finance and Public Accounts Committees of Parliament; and

to develop capacities of civil society organisations to build stronger coalitions, strengthen links with grass-roots groups, participate in development dialogues at different levels of governance (including the Extractive Industry Transparency Initiative, EITI), monitor delivery of public goods, and hold government accountable for corrupt practices.

It is noteworthy that few PFM projects, started since the early 1990s, such as the Integrated Payroll Database (IPPD) and the Budget and Public Expenditure Management Information System (BPEMS), are still ongoing following renewed negotiations for extension. The first generation IPPD1 failed to deliver, largely as a result of the selection of inappropriate contractors, weak project design and management, and poor technical support. The integrity of BPEMS is said to be undermined by lack of reliable, complete, integrated and reconciled personnel record and payroll databases¹¹.

Since 2006, donors have committed to support PFM projects including a second generation IPPD2, the BPEMS, and other ongoing capacity development programmes such as the Revenue Mobilisation Support Project being supported by Germany's GTZ and the PPB's monitoring and evaluation system and oversight functions supported by Switzerland. A PFM sector group has therefore been formed and a number of timelines have been set within the context of the Ghana Partnership Results Matrix for meeting other targets of capacity development in the sub-themes of budget formulation, the establishment of public procurement entities in ministries, departments and agencies (MDAs), ensuring that the government's computerised financial and accounting systems (BPEMS) is fully operational, and improving involvement of Parliament in the policy formulation process, as well as creating opportunities for civil society participation in managing public policy.¹²

It is also envisaged that budget formulation and execution processes in PFM reforms will continue through MDDBS partners' support and individual partners' projects in public procurement, revenue mobilisation and debt management. Upcoming external reviews of PFM exercises would focus on issues the government considers critical to improving value for money and accountability in the use of public funds.¹³

2.1.2. EDUCATION SECTOR PRIORITIES AND HARMONISATION PLANS

In accordance with the development strategy of Ghana, as encapsulated in GPRS II, the main goal set for the education sector is the production of knowledgeable and well-trained population with the capacity to drive and sustain private-sector-led growth. The priorities in

¹¹ See DFID (2006), pp. 72-73

¹² See for example, pages 19, 21, and 22 of the Ghana Partnership Results Matrix (Consultative Group for Ghana: Annual Partnership Meeting), 2006

¹³ See IDA (2007): Country Assistance Strategy for Ghana – G-JAS (February 2007), page 31

education are to increase access to quality education in order to ensure quality human resources for accelerated economic growth and poverty reduction. The following are the prioritised policy objectives for the education sector under GPRS II:

- Increase access to and participation in education and training at all levels;
- Bridge the gender gap in access to education at all levels;
- Improve quality of teaching and learning at all levels;
- Improve the quality and efficiency in delivery of education services at all levels;
- Promote and extend the provision of science, mathematics, technology and ICT education and training; and
- Mainstream issues of population, gender, health, HIV/AIDS, fire safety, road safety and environment in the curricula of schools and institutions of higher learning.

These policy objectives were carefully crafted to inform the thematic areas of the Education Strategic Plan (ESP), namely Access and Participation, Quality Education, Management, and Science and Technology and Technical Vocation Education and Training (TVET).

Among other things, the objectives of these priorities include:

- Achieving universal primary enrolment and full completion in primary education;
- Expanding enrolment at post-primary levels;
- Promoting gender parity at all levels of enrolment;
- Improving the quality of teaching and learning at all levels; and
- Improving the relevance of post-basic education.

These objectives, part of which are underlined in GPRS I, also highlight the role of private providers in the educational system and the need for capacities in these institutions to be strengthened. In addition, GPRS II emphasises that reforming tertiary education financing is key to assuring sustainable growth, diversification and improved accountability. It also places particular emphasis on science and technology, especially ICT and distance learning in education, and a greater focus on skills development and training, including technical and vocational education, and effective management of schools, with the involvement of regional, district and local authorities, including communities – the Whole School Development (WSD) Programme.

Policy measures to improve access to quality education include:

- Construction and rehabilitation of classrooms;

- Promoting the competencies of teaching and learning through school-based in-service training;
- Promoting participatory planning and resource management at school and district levels; and
- Improving efficiency in resource management at the Ghana Education Service, particularly at regional, district, and local authority levels.

These policy measures and priorities in the education sector appear in a positive direction and development partners have expressed their commitments, in terms of technical assistance to support Ghana's policymakers in meeting these challenges.

Development partners provide coordinated support for all the six priority goals in the education sector through either of the following:

- Specific Projects – with funding from AfDB, BADEA, France, Germany/GTZ, JICA, UNESCO, UNICEF, USAID, WFP and IFC;
- Sector Programmes – with support from DFID, European Commission, Netherlands and the World Bank; and
- General Budget Support – with support from a few development partners in the MDDBS group.

Following the development of the Ghana Partnership Results Matrix, a number of guidelines have been earmarked for the education sector to be achieved by 2009.¹⁴ These include the following:

- Improve gross enrolment ratios at primary levels to 97.8% and bridge the gender gap in access in the three most deprived regions;
- Reduce teacher vacancies in deprived districts and expand teacher retention schemes and implement district-sponsorship schemes for teacher trainees based on teacher needs assessment; and
- Improve efficiency and equity of financing education with attention to greater poverty impact and help deliver increased resources to 53 deprived districts.

These 'guidelines' suggest that development partners would be focusing on improving access, completion and quality in basic education, and specific measures, such as incentive schemes to increase girls' enrolment, retention and completion, particularly in secondary education. Development partners would also be working jointly with the Ministry of

¹⁴ See for example pages 9-11 of the Ghana Partnership Results Matrix (Consultative Group for Ghana: Annual Partnership Meeting), 2006

Education to improve efficiency and equity in education financing at all levels, particularly in pursuit of a more sustainable and equitable system of funding for tertiary education, including technical and vocational education and training (TVET).

2.2. REVIEW OF TRENDS AND PATTERNS IN TECHNICAL COOPERATION AT THE SECTORAL LEVELS

2.2.1. TECHNICAL ASSISTANCE TRENDS AND PATTERNS IN PFM REFORMS

Ghana's reform efforts in public financial management date back to the early 1990s. In 1997 a Public Financial Management Reform Programme (PUFMARP) was designed to improve the efficiency and accountability of the government's financial functions. Eight separate sub-systems were earmarked to be developed – budget preparation, budget implementation, accounting, cash management, aid and debt management, revenue management, procurement and auditing. In addition, three cross-cutting capacity-building initiatives were to be included in the programme:

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

This programme attracted the interests and TC support of development partners, and involved the financing of the medium-term expenditure framework (MTEF), revenue management, development of procurement guidelines, support towards a payroll management system (IPPD), and capacity building and skills improvements at the National Development Planning Commission (NDPC) and the VAT Service.¹⁵

Since the end of PUFMARP in May 2002, a number of capacity development initiatives have been earmarked by government and satisfactorily supported by development partners. As noted in the previous section, these initiatives, many of which are still ongoing, include, among others:

- The Good Financial Governance (GFG) Programme with technical assistance from Germany /GTZ;

¹⁵ An earlier assessment had observed that “support for the VAT Service was highly effective in generating the intended outputs with strong ownership from the supported DPs and close harmonisation and alignment with the activities of other DPs; less skills transfer was achieved under the NDPC support”: DFID (2006), *Technical Cooperation for Economic Management*, Vol. 2: Case Studies, paragraphs S12-13, pp. 4-5

- The Aid and Debt Management (ADM) Programme initiated since 2002 and supported by the Japan Bank for International Cooperation (JBIC);
- The Public Sector Management Programme of the World Bank, aspects of which deal with audits and evaluation of public expenditure management, accountability and fiscal management (including budgeting and revenue administration); and
- The Parliamentary strengthening initiatives variously supported by WBI and the Parliamentary Centre of Canada; and
- Integrated Personnel and Payroll Database (IPPD) Project supported by DFID.

Table 2: Trends in TC Support in PFM and Education Sector Capacity Development

	Public Financial Management		Education Sector	
	2002-2006	1997-2001	2002-2006	1997-2001
Technical Cooperation Support (excl. MDDBS) US\$ million	90.276	45.412	949.451	266.760
Donors' Shares of Technical Cooperation				
Multilateral Donors (US\$ million)	24.239	10.638	185.830	183.537
Multilateral Donors (% of total TC support)	26.8%	23.4%	19.6%	68.8%
Bilateral Donors (US\$ million)	66.037	34.775	763.621	83.223
Bilateral Donors (% of total TC support)	73.2%	76.6%	80.4%	31.2%
Composition of Technical Assistance (% Shares)				
Programme and Project Loans	0.0%	23.3%	0.0%	37.2%
Programme and Project Grants	87.8%	43.3%	86.6%	33.8%
Equipment and Supplies	5.1%	10.6%	4.8%	17.7%
Institutional Support & Organisational Management	6.5%	22.1%	6.1%	5.1%
Training (incl. external consultancies, M&E)	0.7%	0.5%	2.5%	6.3%

Source: Based on Country Database of the DAC of the OECD: ODA flows to recipient countries

According to data reported by the DAC of the OECD, the volume of technical cooperation support to Ghana's PFM capacity development reforms doubled from US\$45.4 million in 1997-2001 to US\$90.3 million in 2002-2006. The increase largely reflected an increasing shift on the part of development partners to support government's efforts through more concessional assistance in the form of project and programme grants. In 2002-2006, the grants element of total technical cooperation support doubled from 43.3% five years earlier to 87.8%, reflecting a complete switch away from programme and project loans whose share in the total was zero (see Table 2.1).

Over the same period, the share of equipment and logistics fell by almost one-half while that for institutional support and organisational management dropped by about one-third. The share of training (including external consultants and monitoring and evaluation) rose only marginally.

The available data presented also shows that technical cooperation continues to be supported by both Ghana's bilateral and multilateral donors and development partners. The shares of technical cooperation from these two sources seem to have shifted very little in 2002-2006, with the multilateral donors' share having a slight upward edge (from 23.4% in 1997-2001 to 26.8% in 2002-2006).¹⁶

2.2.2. TECHNICAL COOPERATION TRENDS AND PATTERNS IN EDUCATION

In the education sector, the trends and patterns of technical cooperation support are somewhat similar to those in PFM. According to the DAC/OECD data on external aid flows, technical cooperation to the education sector, at US\$949.5 million in 2002-2006, rose by almost 2½ times over the levels of US\$266.8 million registered five years earlier. The sharp rise was, as in the case of PFM, on account of increased concessional support from project and programme grants, but with a larger contribution from bilateral donors. The share of bilateral donors' technical cooperation support more than doubled from 31.2% of the total in 1997-2001 to 80.4% in 2002-2006 (see Table 2.1).

There are also indications that technical support for organisational change management and institutional development improved slightly in 2002-2006 relative to 1997-2001, increasing from 5.1% of the total support to 6.1% of the total. As was the case in PFM reforms, the shares of TA support for equipment and supplies and training witnessed declines in 2002-2006 compared with 1997-2001. The reasons for the declines are difficult to find, but, again, could be on account of misclassification of the data.

2.3. TECHNICAL COOPERATION COORDINATION MECHANISMS AT SECTORAL LEVELS

Government and development partners recognise that there is an urgent need to improve the cross-sector dialogue at the GPRS II pillar level. While sector groups have been formed to oversee how best to align capacity development priorities to technical cooperation commitments of development partners in both PFM and the education sector, coordination appears to be more advanced in education than in PFM reforms, where progress is at a best gradual, but at a slow pace.

¹⁶ An important caveat, however, is that the data do not reflect a "true picture" of TC support to PFM, as some DPs prefer to promote PFM reforms through the MDDBS window.

In all the thematic areas of PFM and the education sector, coordination involves the following:

- Some tenuous leadership role for government in the sector group;
- Aligning development partners' technical cooperation support to a sector/thematic strategy, and, where possible, including it in the national budget process;
- streamlining monitoring and reporting procedures around a common results framework; and
- Pursuing joint policy dialogue and sharing analytic/advisory work among development partners and the government.

2.3.1. DONOR AND GOVERNMENT ROLES

Both the Government of Ghana and development partners play very important roles in identifying capacity development gaps and the technical cooperation needs. In very broad terms, the technical cooperation needs of government are driven by her capacity development priorities; consequently, technical cooperation activities are mostly demand-driven, with the Government of Ghana initiating the requests for assistance. For example, in education, the Minister determines the sectoral TC needs and approaches (through MoFEP with a formal request) individual donors for support when Government is not in a position to extend resources for any particular programme. For this reason, donors select which areas of the Ministry's work they would support.

Negotiations for technical assistance normally involve four phases through which efforts are made to match CD needs with appropriate technical assistance support:

- *Initial Dialogue and Identification Phase:* donors and government are actively involved in reaching an agreement on organising and producing terms of references (ToR), proposing and shaping agenda and mobilising stakeholders, and contracting and managing resources.
- *Reform and Design Phase:* donors and government are jointly involved in preparing ToR for expert assignments, contracting resources for these assignments, disseminating results, building consensus, getting on donor HQ agenda, facilitating high-level donor governments' support and other stakeholder support.
- *Organising Implementation and Change Management Phase:* most donors appoint and mobilise consultants and other resources, prepare ToR for external support, mobilise funds and logistics, define management structure, define other consultative processes.
- *Implementation and Management Phase:* donors are responsible for consultant operational briefing, consultant performance management, the management of other

related resources, the supervision of any contractors, preparation of procurement guidelines, and in many instances also undertakes the procurement of equipment, logistics etc.

2.3.2. MODES OF DELIVERING TECHNICAL ASSISTANCE

At the thematic/sector level, the modes of delivery of technical assistance differ on account of:

- (i) Being sector-specific, and therefore, requiring the individual and somewhat unique sector priorities identified in accordance with the GPRS II pillar strategies; and
- (ii) The different policy guidelines of donors' respective governments, especially in the area of procurement and management practices.

In the education sector, eleven development partners provided coordinated technical assistance support to the Education Strategic Plan (ESP) in 2002-2006. This was done through active sector-wide groups and involved the sharing of country analytic/advisory work among development partners and government in the area of pooling funds. Five other development partners, mainly multilateral donors, provided support to sector programmes using government systems for channelling funds. Moreover, there were also some MDBS partners who preferred to provide general budget support to the education sector.

Pooled funding arrangements, such as that involving DFID and the World Bank, are leading to a "critical friendship" of rigorous and productive debate over the education sector plan for adopting a SWAp.

By contrast, PFM programmes in 2002-2006 were funded by some multilateral donors and bilateral donors in 'stand-alone' sector programmes, involving individual 'direct TA support' from development partners. While this mode of delivery appears to be dominant in PFM reforms, some development partners (including AfDB, CIDA, Denmark, DFID, European Commission, Germany and WB) have committed to channel funds through a general budget support initiative being planned for implementation in coming years. Again, 'direct support' to PFM is reportedly being structured around a MoFEP Action Plan to improve coordination and create a stronger framework around GPRS II priorities.¹⁷

There are indications that before 2003 most development partners were primarily engaged in the area of PFM through co-financing of PUFMARP, in particular the design of an MTEF. This created the possibility for adopting some sector-wide TA pooling arrangements, which could not materialise on account of lack of political will and mutual trust, but also because the focus of support was tailored to match specific sub-themes of interest to individual

¹⁷ See World Bank (2007), Annex 2, page 45

partners. In the latter case, it led to distancing the objectives of TA support from the workings of the country's own administrative and management systems.

Fortunately, the momentum to adopt some pooling arrangement in PFM reforms is picking up in the successful aftermath of the MDBS process. In order to improve harmonised coordination and also lower transaction costs, the PFM sector group began sharing technical advisory and analytical work among members, with development partners undertaking joint external reviews of public financial management every 18 months.

2.4. COMPLEMENTARITY OF TC WITH OTHER INSTRUMENTS FOR CAPACITY DEVELOPMENT

Key capacity development outcomes and outputs targeted at the sector level include but are not limited to the following:

- Institutional development in terms of improving processes and procedures for increased efficiency and effectiveness in service delivery;
- Organisational change management and strengthening; and
- Skills training and professional development of key staff.

Successful capacity development outcomes in these areas have included the following:

- The establishment of a Tax Policy Unit (TPU) at the MoFEP to strengthen policy capacity in revenue forecasting and tax administration;
- The development of a strategic plan at the RAGB and the establishment of a link between the RAGB and the Tax Policy Unit at MoFEP for revenue forecasting; and
- Support to the revision of current HR policies and development of new HR policies at the RAGB;

The country is also reported to have made progress in the improvement of its public procurement, legal and institutional framework, including:¹⁸

- (i) Enactment of the Public Procurement Law;
- (ii) Establishment of the Public Procurement Board (PPB);
- (iii) Development of standard bidding documents and request for procurements;
- (iv) Establishment of an Appeals and Complaints Panel;
- (v) The development of a software package for procurement planning; and

¹⁸ See IDA (2007), page 18 (Box 9)

- (vi) Development of a monitoring tool (Model of Excellence) to collect and assess data on compliance and performance.

Processes applied to ensuring complementarity between technical cooperation and other assistance in achieving these and other outcomes have typically included the organisation of workshops and seminars to provide requisite forums to do the following:

- Share experiences and information on donor support;
- Maintain a shared support strategy; and
- Agree on assessments and messages to provide to government.

In 2002-2006, 'stand-alone' technical assistance was used to fill critical skills gaps in order to facilitate organisational change management. The following are a few examples with respect to training and recruitment:

- Sponsorship of study tours at RAGB for peer-learning about successful tax reform initiatives and training programmes for staff at the revenue agencies;
- Support to the Finance Committee of Parliament – through study tours to the United Kingdom and Germany – with the view to strengthening financial oversight capacity of Parliament;
- Facilitation of stakeholder dialogue and sponsorship of workshops in respect of the Extractive Industry Transparency Initiative (EITI);
- Successful recruitment of internal auditors in MDAs to undertake various trainings, with the view to helping management to undertake various VFM audits including procurement audits; and
- In education, the WSD programme was successful in the training of 2,200 head-teachers and 1,100 district teacher support teams in the promotion of primary practices in literacy, numeracy, problem solving and preparation of teaching and learning materials.

These processes have often been complemented by logistic supplies in the form of vehicles, sophisticated machinery and equipment (including computer mainframes and management information systems) in order to monitor and evaluate outcomes.¹⁹

¹⁹ Sophisticated machinery and expensive management information systems (MIS) and processes have proven to be effective particularly in large-scale TC-supported organisational change management programmes; they could pose serious problems, however, where replacement parts are difficult to find or expensive in situations of breakdowns.

The 2006 Annual Progress Report (APR) by the NDPC has highlighted some notable achievements in modernising the PFM framework and strengthening budget formulation, budget execution and reporting. Regarding improvements in public expenditure management, however, the APR noted as follows:

- A consultant recruited in September 2006 has presented a report on the strengths and weaknesses of existing BPEMS processes and systems together with recommendations for improvement;
- A roadmap for 2007/08 to standardise processes and computerise BPEMS systems with six monthly deliverables has been defined and endorsed by senior MoFEP management;
- contracts on wide area networks (WAN) regarding refurbishment of BPEMS have been awarded for regional offices and the first 50% payment made, sites have been prepared and contracts for the fibre optic executed;
- Parallel run of IPPD1 closed in October 2006, with IPPD2 being the only system operated to produce reports; and
- MoFEP's three-year action plan has been updated; a prioritised, sequenced and costed annual action plan for 2007 is prepared.

Again, the 2008 Budget Statement has noted that continued implementation of the BPEMS succeeded in deploying two additional modules – cash management and accounts receivable – bringing the total modules deployed to five. These have reportedly enhanced financial reporting and budgetary control and reduced transaction processing time. Furthermore, some progress had been made regarding installation of fibre optic contracts at some ministries:

“The award of contract to lay fibre optic to connect the remaining ministries as well as the procurement process for the acquisition of and installation of VSAT was completed.” See paragraph 1205, page 349 of the Budget Statement and Economic Policy of the Government of Ghana for 2008.

Major challenges remain, however, in the areas of monitoring and evaluation. For example, IPPD2 is reported to have had challenges in 2007, involving difficulties in calculating arrears, recovery of overpayment and tax arrears, and delays in payment of salaries. In addition, there are difficulties tracking the coordination of technical assistance support for external and local consultancy and training workshops.

In spite of the fact that Ghana has been touted as a frontrunner in achieving the MDG goals, expanding education services at the basic level and setting high standards for itself, a number of challenges remain in the education sector. First, even though the country may be on track in providing universal primary education and extending enrolment in basic education, the increasing enrolment has also brought increasing challenges in quality,

disparities and an expansion of demand for post-basic education. More importantly, access to post-basic education has remained unequal. Some 70% of the population does not have access to any form of post-basic programmes.

Second, rural to urban migration in Ghana is increasing as people search for alternative livelihoods. This creates demand for increasing educational attainment both in terms of completion and in terms of learning achievements. Ghanaians expect new skills and pathways towards better earnings. Completion of junior secondary education, the demand for senior secondary education opportunities, and for accessing tertiary education has increased rapidly over the last decade.

Thirdly, government realises that promoting labour-intensive industries is an important part of the country's strategy of achieving middle income status. However, industries that require trained labour and technological competencies have not significantly increased their presence in the country, but rather concentrated in fields such as construction and communication services – fields that require relatively little skills or none at all. Moreover, highly skilled Ghanaians are often forced to find employment abroad, on account of the absence of high-skilled jobs and poor remuneration packages.

While the focus of direction of the education sector priorities is progressive, more concrete action is needed to address the problem in a more cohesive and all-inclusive way.

Direct personal interviews held with senior officials of the Ministry of Education, Science and Sports confirmed that almost all of Ghana's development partners extended support to various programmes of the Ministry in response to direct requests by the Programme Directors. They raised a number of concerns, however, and made the following observations:

- The approach to technical assistance delivery in education is disparate, encouraging certain programmes to be over-subscribed at the expense of others. This poses a challenge of effectively harmonising TA support in education.
- Attention seems to have increasingly shifted to budget support which is often directed at cross-sectoral institutional development afforded by the increased flow of funds to improving public financial management, planning, resource allocation prioritisation and decision making, rather than making a direct impact on education implementation programmes as in the project approach and sector-wide investment;
- There has been insufficient examination of the full range of the modalities of capacity development, and not merely their coordination. For example, how does the continued use of scholarships and fellowships fit with the institutional as opposed to individual development?
- There is need to cut down on the numbers of donor-funded experts and intensify training of Ghanaian nationals to take over activities that are supported by donors;

- Government budgetary allocations to capacity development in education are grossly inadequate, compromising effective sustainability of projects; and
- Project performance evaluations need to be undertaken jointly by donors and government stakeholders. The unequal partnerships in which money rides on the adoption of donor-compliant systems often make for compacts which not only load a system with indicators unlikely to have been chosen by the nationals alone but which also contribute to undermining ownership of the process of performance assessment as well.

Following the adoption of the G-JAS, there is the expectation that partner-by-partner decision-making on technical assistance allocations would be replaced by better cooperation and joint programming, anchored in the national development strategy (including the priority strategies at sectoral and thematic levels of education and PFM). To facilitate the process, government has reportedly accepted to define, in very clear terms, an aid and external resource mobilisation strategy that will provide guidance for development partners. Civil society groups (including NGOs, private sector associations and independent research institutions) and the Parliament in Ghana are to be involved in a more structured and transparent manner to monitor the policy dialogue as well as participate in the design and discussion of the technical cooperation harmonisation programme.

3. GOOD PRACTICES AND LESSONS LEARNED AT SECTOR LEVELS

3.1. EFFECTIVENESS OF TECHNICAL COOPERATION AT THE SECTOR LEVEL

Over the past decade, most technical cooperation strategies at the sectoral level in Ghana concentrated almost exclusively on building capacity with a focus on organisational change, institutional reforms and human resource development. In very broad terms, several significant accomplishments have been achieved with technical cooperation from Ghana's development partners. While there have been some modest successes in education (traditionally a very conservative and slow-to-change sector in Ghana), very successful capacity development appears to have occurred in public financial management as well.

The historical experience reveals that capacity development outcomes during 1997-2001 were rather disappointing. The first generation IPPD1 failed to deliver, largely as a result of the selection of inappropriate contractors, weak project design and management, and poor technical support. The integrity of BPEMS was undermined by lack of reliable, complete, integrated and reconciled personnel record and payroll databases and an earlier assessment had observed that *“support for the VAT Service was highly effective in generating the intended outputs with strong ownership from the supported development partners and close harmonisation and alignment with the activities of other DPs; less skills transfer was achieved under the NDPC support”*.

Since 2006, donors have committed to support PFM projects including a second generation IPPD2, the BPEMS, and other ongoing capacity development programmes such as the Revenue Mobilisation Support Project and the Public Procurement Board's monitoring and evaluation system and oversight functions. Successful capacity development outcomes in these areas have been the establishment of the Public Procurement Board (PPB), the development of standard bidding documents and request for procurements; the establishment of a Tax Policy Unit (TPU) at the MoFEP to strengthen policy capacity in revenue forecasting and tax administration; and the establishment of an interface linking the RAGB and the Tax Policy Unit for revenue forecasting.

In education Ghana has been touted as a frontrunner in achieving the MDG goals, expanding education services at the basic level and setting high standards for itself. The priorities in education also place particular emphasis on science and technology, especially ICT



and distance learning, and a greater focus on skills development and training, including technical and vocational education. Effective management of schools, with the involvement of regional, district and local authorities, including communities – the so-called Whole School Development Programme – has been rated as highly successful.

These positive outcomes have been attributed to effective harmonisation and coordination of technical assistance support in capacity development at the levels of both institutional strengthening (in terms of improving processes and procedures for increased efficiency and effective service delivery) and organisational change management and strengthening.

Both the Government of Ghana and development partners recognise that there is an urgent need to improve the cross-sector dialogue at the GPRS II pillar level. Both the Government of Ghana and development partners play very important roles in identifying capacity development gaps and technical assistance needs. Sector groups have been formed to oversee how best to align capacity development priorities to technical assistance commitments of development partners in both PFM and the education sector. This has facilitated a high level dialogue on future policy reforms with government and also among development partners. In addition, it has fostered a more coordinated approach to aligning development partners' technical assistance support to sector/thematic priorities, and where possible including TC into the national budget process.

Development partners provide coordinated support for all the six priority goals in the education sector through any of specific projects, sector programmes and general budget support. Eleven development partners currently provide coordinated technical assistance support to the Education Strategic Plan (ESP); five provide support to sector programmes using government systems for channelling funds, while a few others prefer to provide general budget support.

By contrast, PFM programmes in 2002-2006 were funded by nine donors in 'stand-alone' sector programmes, involving individual 'direct TA support' from development partners. While this mode of delivery appears to be dominant in PFM reforms, some development partners have committed to channel funds through a general budget support initiative being planned for implementation in coming years. The momentum to adopt some pooling arrangement in PFM reforms is picking up in the successful aftermath of the MDDBS process. In order to improve harmonised coordination and also lower transaction costs, the PFM sector group began sharing technical advisory and analytical work among members, with development partners undertaking joint external reviews of public financial management every 18 months.

To a very large extent coordination appears to be more advanced in education than in PFM reforms, where progress is at a best gradual, but at a slow pace. But even in education, where the approach to technical assistance is "disparate", there are still challenges in effectively harmonising TA support. Attention also seems to have shifted more to budget support, which is often directed at cross-sectoral institutional development afforded by the

increased flow of funds, than to making a direct impact on education implementation programmes as in the project approach and sector-wide investment. In addition, government budgetary allocations to capacity development in education are grossly inadequate, compromising effective sustainability of projects. But there is also an increasing need for project performance evaluations to be jointly undertaken by donors and government stakeholders in order to discard the tenuous leadership roles for government stakeholders in sector working groups.

The policy priorities at the sector/thematic levels are generally progressive and in the right direction aimed at addressing the myriad capacity development issues confronting the nation in terms of public financial management and education. Development partners have accordingly committed to support Ghana's policymakers in meeting the challenges. In this respect, a Ghana Partnership Results Matrix has been prepared for meeting set targets of capacity development in sub-themes of education and public financial management for 2009.

There are indications that partner-by-partner decision-making on technical assistance allocations would be replaced by better cooperation and joint programming, anchored in the national development strategy, including the priority strategies at sectoral and thematic levels of education and PFM reforms). There are also plans for development partners working jointly with the Ministry of Education to improve efficiency and equity in education financing at all levels, particularly in pursuit of a more sustainable and equitable system of funding for tertiary education, including technical and vocational education and training (TVET).

In spite of the success stories, a number of challenges remain, especially regarding effective training of personnel for sustaining capacity development efforts at organisational change management. The historical experience has shown that the shares of training (including the recruitment of external and local consultants, as also monitoring and evaluation) has not been particularly impressive, remaining the bottom component of DPs' technical assistance portfolios. A lot more funding would be required to upgrade training needs. Without such a focus we could end up with new development cooperation vocabularies, but the manpower development capacities that are desired and so desperately needed to sustain organisational change management would only come about if it is a national vocabulary for sustained capacity development.

Meanwhile, an Independent Country Assessment Report (ICR) of 2005 has noted that support for the professional development of teachers and managers has not been effective and has neither raised sector efficiency nor effectiveness. The projects almost invariably achieved targets in terms of numbers that were to be trained; the main test is whether the new skills that were acquired translated into improved service delivery and outcomes (World Bank, 2005, pp. 25-26).

3.2. EXAMPLES OF GOOD TC PRACTICES

Six good-practice experiences of technical cooperation in Ghana are presented in this section. Three of these reflect the experiences in public financial management, while the other three are experiences in education sector reforms.

3.2.1. COUNTRY-LED TECHNICAL COOPERATION PLANNING

3.2.1.1. DESCRIPTION OF TC INTERVENTION

One of the good-practice examples of country-led technical cooperation planning is the Good Financial Governance (GFG) Programme which was designed to address the issues of equitable and effective taxation in Ghana in accordance with modern fiscal law and practices, and also to ensure efficient institutional and organisational development of Ghana's tax collection and administration agencies – the Internal Revenue Service (IRS), the VAT Service, and the Revenue Agencies Governing Board (RAGB).

An efficient and effective tax system is of crucial importance to every country. It supports stability, equity and long-term growth; and it also reduces dependence on external donors. However, it requires a certain degree of voluntary tax compliance, civic responsibility, and confidence of tax payers. In realising this, technical cooperation support for the project was requested and obtained by the Government of Ghana following bilateral negotiations in 2001 with the Federal Republic of Germany; the German Technical Cooperation (GTZ) was subsequently contracted in 2004 to implement the project.

Initially, the project was encapsulated within the Good Governance Programme (GGP) and termed the Tax Component of GGP (GGPTC). In 2005, on the specific request of the Government of Ghana, the GGPTC was separated from the GGP into a stand-alone project and renamed the Revenue Mobilisation Support (RMS) project. This was further revised in 2007 to the Good Financial Governance (GFG) Programme to reflect the broad mandate of the programme to provide technical cooperation support to the Government of Ghana in accordance with her PFM reform agenda.

One of the critical challenges that had faced Ghana since the 1990s had been raising tax revenues to address the myriad socio-economic development needs of the country. There are indications today that approximately 40% of the national budget is financed through loans and contributions from external multilateral donors. Technical cooperation support in public financial management reforms focuses largely on expenditure rather than revenue mobilisation. In 2003 Ghana became a pilot country for multi-donor budget support (MDBS). While some promising results have been achieved, technical support measures remain essential, as soaring influx of financial assistance has the tendency to curtail the political will of both the Government of Ghana and her development partners to fully exploit the country's tax potential.

The GFG Programme was therefore conceived to address the revenue needs of government by tapping all potential sources of national revenue and bring transparency and fairness in revenue administration. The GFG Programme was designed to strengthen the legal capacities and freedom of action of revenue collecting agencies of Ghana. It was also hoped that increasing revenue will moreover pave the way for the reduction of Ghana's dependency on foreign aid.

3.2.1.2. IMPLEMENTATION ARRANGEMENTS

The GFG Programme started in 2003 with a focus on revenue mobilisation but has been extended to provide support in other areas of the Government of Ghana's PFM reform agenda.

Implementation of the GFG Programme is jointly being undertaken by the Ministry of Finance and Economic Planning, the revenue agencies (IRS and VAT Service), the RAGB and the German Technical Cooperation (GTZ).

The technical cooperation-supported GFG Programme allows for building capacities at all levels, continuous monitoring of performance, detecting gaps, and further developing innovations and approaches with national stakeholders. In this way existing constraints are met and support is tailored towards the Ghanaian context.

The GFG Programme, portions of which are still being implemented, involves technical assistance:

- To establish a Tax Policy Unit (TPU) at the MoFEP in order to strengthen strategic policy capacity for revenue forecasting and review of the tax exemptions regime;
- To the RAGB for the development of a strategic plan, for establishing a link between the RAGB to the TPU at MoFEP on revenue forecasting, and for strengthening the Double Taxation Treaty capacity within RAGB;
- To build an Integrated Tax Administration system (ITAX) involving the automation of IRS in order to create a permanent electronic information exchange to widen the tax net, combat tax fraud and prevent corruption.
- To the Finance and Public Accounts Committees of Parliament in Ghana with the view to strengthening their roles in the PFM reform process;
- To the Steering Committee on Mines in the Parliament in Ghana through an Extractive Industry Transparency Initiative (EITI) for implementing a work plan, facilitating stakeholder dialogue and for strengthening the districts and national capacities for implementing the EITI principles of transparency; and

- To support training Staff at the RAGB and revenue agencies and sponsorship of study tours with a view to enhancing peer-learning about successful tax reform initiatives.

GTZ and MoFEP are charged with responsibility of overseeing the successful implementation of the GFG Programme. The two organisations have jointly been implementing the programme as partners, and have been consulting and cooperating closely since 2003. The GFG Programme supports capacity development efforts by MoFEP (budget preparation, Tax Policy Unit), by RAGB and by the Ghanaian revenue agencies (tax administration). In the period 2003-2006 the programme concentrated its support on revenue mobilisation.

3.2.1.3. ROLE OF DONORS

GTZ is the implementing organisation for technical cooperation on behalf of the Federal Republic of Germany. It operates by using *direct contribution* as its mode-of-delivery. This means that the recipient country is not granted funds but specific inputs, such as expertise (long-term and short-term expert assignments), sponsorship of training and study tours, supplies of materials and equipment, and direct transfer of funds (on a limited scale). This holistic and sustainable approach is what had been used to provide for a balanced mix of administrative and legal advisory services to the revenue agencies.

The technical assistance support involved an amount of EUR 1,281,000 for the entire period of 2003-2006; including 2007, total disbursements have been at EUR 2,000,000, and there are plans to increase disbursements for 2008-2015.

It must be underscored that GTZ had been actively involved in the initial dialogue and identification, the reform and design, and the implementation and change management phases of the GFG Programme:

- *Initial Dialogue and Identification Phase:* GTZ GFG active in joint donor/Government/CSO dialogue in the sub-thematic area of revenue mobilisation (getting agreement, organising process, producing ToR, contracting resources, managing resources, disseminating results, shaping agenda and mobilising stakeholders);
- *Reform and Design Phase:* GTZ GFG key development partner in proposing the revenue mobilisation agenda, organising process, producing ToR for expert assignments, contracting resources, managing process, disseminating results, building consensus, getting on donor HQ agenda, facilitating high-level Government support and other stakeholder support;
- *Organising Implementation and Change Management Phase:* GTZ GFG appoint and mobilise consultants, mobilise other resources, prepare ToR for external support,

mobilise funds and logistics, define management structure, define other consultative processes;

- *Implementation and Management Phase:* GTZ GFG active in consultant operational briefing and consultant performance management, manage other related resources, supervise TC contractors, prepare procurement guidelines, undertake procurement process.

3.2.1.4. EVIDENCE-BASED SUCCESSFUL OUTCOMES

The GFG programme has brought the marginalised theme of revenue generation back to the centre stage of the MDBS and GPRS II. Within a two-year period, the project was able to obtain visible results. Revenue from income and corporate taxes rose by about 57% in absolute terms and by 31% in inflation-adjusted terms.

Based on a GFG-initiated dialogue between academia, politicians, government institutions, MDAs and civil society, the 2006 budget speech included for the first time a comprehensive revenue policy. In terms of pro-poor initiatives, there has also been a gradual reduction of the corporate tax rate to a competitive 5%, tax relief for postgraduates, and the promotion of venture capital as well as limited tax amnesty.

With support from the GFG Programme the Government of Ghana established a Revenue Protection Unit to investigate corruption cases within the tax and revenue agencies; and in cooperation with the revenue agencies, an extensive reform concept for Ghanaian tax procedural law was introduced into the legislative process. This ensured transparency, increased the possibility of enforcement of tax laws, and strengthened the trust of taxpayers in tax collection, thereby reducing resistance against taxes.

In line with expanding the knowledge base of the revenue agencies and to foster change management, GFG organised an information trip for four Ghanaian partners (RAGB, IRS, VAT), to visit selected tax institutions and administrations in Germany in February 2006. Two officers from IRS and Ministry of Finance and Economic Planning were also sponsored to participate in a Tax Inspectors Course and Advanced Management Programme organised by Commonwealth Association of Tax Administrators (CATA) in the United Kingdom. Sponsorship was also provided for one participant to an International Conference on Tax Administration in Dar es Salaam in May 2006.

An inception report on the EITI principles of transparency has been prepared, with follow-up of a successful nation-wide sensitisation programme in the major mining communities of Ghana to create awareness on the Ghana EITI. The participants included District Chief Executives, Presiding Members of District/Municipal Assemblies, Chiefs, Civil Society Groups as well as the Revenue Agencies.

EITI in Ghana today still remains a voluntary initiative. However, to ensure its sustainability it has been the general consensus that the Ghana EITI be backed by law. This will make

mining companies' participation in the initiative mandatory. A workshop for Parliamentarians was recently held to explore the present legal regime to address this.

Finally, there are indications that a Tax Policy Unit has been established within the MoFEP and the training component of that Project is still ongoing.

3.2.1.5. LESSONS LEARNT

Three lessons are derivable from the good-practice example of the GFG Programme, even though certain portions of the implementation are still ongoing:

- The GFG Programme through its shared collaboration with the donors and the revenue agencies, its support to workshops and seminars, its sponsorships to exchange peer-knowledge, and its assistance in sensitisation and creating awareness on EITA principles of transparency, has facilitated a mutual exchange at both the national and district administration levels, informing districts and regions about national policy and inspiring national policy by experiences on the ground. Such dialogue permits a view of the same process from different angles and allows for feedback into the discussions of the policy reforms as well as continuous sector dialogue on tax evasion, fighting corruption, accountability and public finance management. This means that good teamwork and mutual collaboration and partnership are effective tools for the successful outcomes of any PFM reforms.
- Political support for the programmes is also necessary for achieving the goals of PFM reforms in accordance with the growth and poverty reduction strategies. The Government of Ghana realised the need for an efficient and effective tax system and set in motion the process of obtaining a well-crafted technical cooperation support to realise it.
- Another lesson is that the technical assistance provided by the GFG Programme is systematic and differs from the ad hoc technical assistance. It allows for the testing of concepts, for building capacities at all levels, for continuous monitoring of performance, for detecting gaps, and for further developing innovations together with national stakeholders.

3.2.2. FLEXIBLE AND RESPONSIVE TC DESIGN

3.2.2.1. BRIEF DESCRIPTION OF INTERVENTION

Ghana's Distance Education Programme is a typical good-practice example of a well-structured and flexible TC design. For the past ten years or so, the universities in Ghana have had the unpleasant duty of turning away a large number of qualified applicants every year as a result of their inability to admit not even half of these applicants. This situation has been attributed to limited and deteriorating facilities. Coupled with this is the rising cost of

providing quality education at the secondary and tertiary levels, and the increasing difficulty of government to fund tertiary education in Ghana all by itself.

Partly as a result of these problems, the Government of Ghana has since the late 1990s adopted the distance education module as a viable complement to the conventional face-to-face education, especially at the tertiary level. This has also been inspired by the vision that all Ghanaians should have access to all forms of education and training regardless of where they live.

Government became responsive to the needs and desires of the majority of Ghanaians who could not get access to university education by taking action to establish a Distance Education Unit at the Ministry of Education, and by taking leadership in coordinating an integrated systems plan that was flexible enough to meet the aspirations of would-be beneficiaries – the majority of the Ghanaian populace unable to access university education due to limited physical capacity of the universities to accommodate increasing demands for admission.

The government's distance education programme was therefore aimed at:

- Expanding opportunities for and access to tertiary education in Ghana by building institutional capacity for establishing and maintaining distance education programmes at four Ghanaian universities; and
- Establishing a cooperative system for the development and provision of distance education at the tertiary level.

3.2.2.2. IMPLEMENTATION ARRANGEMENTS

Technical assistance was sought and provided from external sources and universities in the United Kingdom, Canada and the United States to implement the distance education programme for Ghana.

In the early to mid-1990s, the Government of Ghana through the Ministry of Education sponsored a number of surveys to assess the distance education needs of Ghana. Two important international organisations – the Commonwealth of Learning (COL) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) – were involved in these surveys, and made recommendations to government to pilot the distance education programme at the tertiary level. Following recommendations drawn on the basis of the surveys, four of the country's universities – the University College of Education at Winneba (UEW), the University of Cape Coast (UCC), the Kwame Nkrumah University of Science and Technology (KUST) and the University of Ghana (UG) – were tasked with responsibilities of making the necessary preparations for this new model of educational delivery.

All the preparatory work was undertaken in partnership with Ghana's development partners with the aim of developing institutional capacity to provide greater access to learning through distance education. The programme and curriculum development were jointly planned and coordinated to ensure that duplication was minimal and the educational design was appropriate and cost effective. It was realised from the onset that:

- Distance education courses, even with adequate staff and production services, require a two- to three-year development cycle;
- Ownership of courses and programmes should also reside with the university and the academic unit offering them;
- There should be decentralisation to take the "distance" out of distance education. For example, because it is important that students receive professional guidance and assistance from informed, caring personnel, local tutors should be assigned marking responsibilities whenever possible, thus leading them to interact face-to-face with students;
- Course materials should be sent to regional and district centres for distributions;
- No distinction should be made between courses taken via distance education and those taken on university campuses;
- Core positions must be created in both professional and support staff, and administration must strive to increase and maintain staff productivity and efficiency; and
- Government and the universities must make distance education a priority to serve a population who would otherwise not have access to tertiary education.

It was critical that integrating these realisations into the programme's implementation would not only increase efficiency but would also be cost-effective. There would be tangible benefits for each Ghanaian student and for the nation – higher completion rates and an educated citizenry.

3.2.2.3. EMPIRICAL EVIDENCE OF SUCCESSFUL OUTCOMES

Of the four universities that were initially earmarked to implement the distance education programme in Ghana, the University College of Education at Winneba was the first to take off in 1996 as a result of assistance from the then British Overseas Development Administration (ODA), now Department for International Development (DFID). The University took off by admitting a first batch of 196 students to pursue a Post-Diploma Bachelor of Education (B.Ed) degree programme in four subject areas: English Education, Life Skills Education, Mathematics Education and Science Education. The University of Cape Coast began implementing a distance education programme in the 2001/2002

academic year, with degree programmes in the Bachelor of Education in Primary Education and a Post-graduate Diploma in Education.

The University of Ghana admitted well over 1,000 fresh students into its first Distance Learning Programme in the Bachelor of Arts and Sciences degrees from December of 2007. For the first year, the distance education centre of the university offered courses in Geography, Resource Development, Economics, Sociology, Psychology and Linguistics. The expectation was that more courses would be offered in the coming years to make it more flexible in meeting the growing needs of potential beneficiaries. The programme, which is about half the cost of what on-campus students pay, is accorded the same privileges as those offered on campus.

Speaking at the launch of the programme, the Vice-Chancellor of the University of Ghana, Professor Tagoe observed as follows:

“... the quality of the programme and admission requirements are the same as those offered on campus. Distance education has globally become the greatest solution for increasing admission into universities, decongestion of campuses and efficient utilisation of time and space. Without resourcing the universities, this noble objective might not be achieved”

That distance education has beneficial impacts is expressed strongly by a potential student in the following words: *“Premier University, we have waited for far too long but thank God it is finally here. Please make sure the standards are the same and students should be writing real exams and not just assignments. 1,128 students are far too small to clear those waiting for years.”*²⁰

Distance education is reportedly suited to women who, as a result of family commitments, may be unable to leave their homes to take advantage of conventional residential courses. Indications are that four batches of students had been admitted to the distance education programme at the University College of Education at Winneba since 1998, and for each batch steps were taken to encourage women to register at the twelve well-resourced centres of the university throughout the country. The results have shown high enrolment rates on the part of women, averaging 54% over the five-year period of 1998-2002.

The experiences of the distance education programme at the University of Cape Coast is said to have facilitated students to (i) appreciate and acquire an understanding of the relevance of their course work to their professional activities; (ii) adopt a problem-solving approach to learning and teaching; (iii) use the classroom as the major environment for identifying and reflecting on teaching and learning challenges; (iv) use the classroom as the major environment to devise and evaluate solutions to these problems; (v) acquire skills related to

²⁰ (Sentiments captured on www.myjoyonline.com/news/comments.asp?contentid-10702).

their everyday work; and (vi) develop an understanding of primary and junior high schools practice.

The programme itself consists of basic school subjects. In addition students undertake curriculum and education studies, liberal and African studies, and information technology – reflecting a well-structured and flexible programme of courses unique to the university administering the courses. Students also do project work and professional practice. Furthermore, it has the added flexibility of providing support services in terms of:

- Orientation sessions at the start of each academic year;
- Monthly face-to-face sessions;
- Provision of students' handbooks and study materials;
- Academic progress through tutor-marked assignments;
- Three-week end-of-year residential revision session and end-of-semester examination.

There are also plans to launch: (a) a distance education programme in Technical Teacher Education in collaboration with Commonwealth of Learning; and (b) an option for on-line learning.

There is also ample evidence today that the distance education programme has contributed to increased institutional capacity at four of the country's universities. Each of these institutions now has a permanent distance education unit, funded by the Ministry of Education, and staffed by project-trained faculty members mostly on technical assistance support.

The institutional capacity at the University College of Education at Winneba and at the University of Cape Coast to design and provide distance education for in-service teachers was an important factor in the government's decision to use distance learning to upgrade teachers' education. This goes to show that distance education is acknowledged as an integral part of the education sector plan in Ghana.

3.2.2.4. LESSONS LEARNT

- Serious preparatory work is required in the design and implementation of the distance education programme. This involves:
 - (i) A field survey to determine: a) what types of education each programme must provide, b) the various learning needs that exist in Ghana and that can be satisfied through distance education, c) the most relevant programmes in terms of national aspirations, d) the most appropriate technology and

techniques to initiate and sustain the required programmes, and e) a phased and costed programme to identify possible sources of funding.

- (ii) A collaborative effort and extensive team work involving the providers and the technical support and the government counterparts.
- Education planning needs to take into account the important role of women in socioeconomic development; distance education normally attract a higher percentage of females than males and may serve to reduce the sex ratio disparity in Ghana's tertiary system.
- Funding for distance education programme development and delivery should be obtained to ensure proper coordination that would enable continuous access from secondary education and training to the tertiary system.
- Programmes and curriculum development must be jointly planned to ensure minimal duplication. Once courses are developed, a programme of curriculum maintenance and revision needs to be implemented to ensure their academic credibility.
- Potential inequalities of education status, opportunities and services, because of the differences in programme delivery and the distance of certain settlements from tertiary education centre, must be avoided at all cost.
- Government and the universities must make distance education a priority to serve a population who would not otherwise have access to education.
- Distance education staffs are generally highly committed, and work extremely hard to coordinate activities of the system. However, they need further training in the specialised field of distance education.
- A quality distance education unit has to be able to develop and maintain performance in three dimensions: efficiency and effectiveness; capability; and sustainability. For government, managing human performance and development is both a journey and a destination: this is an important legacy for all Ghanaians

3.2.3. ORGANISATIONAL CHANGE MANAGEMENT

3.2.3.1. DESCRIPTION OF INTERVENTION

A successful TC project in the educational sector reforms involving organisational change management is the Whole School Development (WSD) programme adopted by the Government of Ghana in 1998 to deliver the objectives of its educational policy –Free Compulsory Universal Basic Education (FCUBE).

The Whole School Development programme was viewed as a strategy to counter the paralysis that had come to characterise local decision-making in basic education by devolving control of education to district schools and communities. It was essentially meant to address three of four thematic areas: equitable access to education; quality education; and educational management. It was therefore an integral part of the GES TA Needs Plan of 2000. By design, the WSD programme constituted donor support to the government's education sector support programme (ESSP), and thus all the objectives of the technical cooperation for WSD were identical with those of GES TA Needs Plan 2000.

The programme itself was an implementation programme involving decentralising and resourcing aimed at providing support to districts and schools to improve the quality of teaching and learning. It aimed to do this by:

- Promoting child-centred primary practice in literacy, numeracy and problem solving with the view to improving the quality of teaching and learning in basic schools;
- Encouraging community participation in education delivery;
- Promoting the competencies of teaching and learning through school-based in-service training;
- Promoting participatory planning and resource management at school and district levels; and
- Improving efficiency in resource management. (GES WSD Report 2004)

3.2.3.2. IMPLEMENTATION ARRANGEMENTS

The WSD was therefore designed to be managed by the Ministry of Education (MoE) with funding from the multi-donor group within the World Bank. The programme itself was conceived of as an important continuing process of organisational change and improved management that could facilitate enhanced service delivery at the primary education level for all regional and districts schools. It was targeted at providing support to head-teachers and teachers in basic schools, and a mechanism for district schools to develop the capacities of teachers and their schools for effective teaching and learning. It therefore placed emphasis on literacy, numeracy and problem solving.

The core focus of WSD is the classroom where it was hoped quality teaching provided by competent teachers would result in effective learning. For this to be achieved the programme focused on building the capacities of teachers to deliver competent and relevant teaching and also provided resources to develop head-teachers' capacities to manage the schools more effectively than had hitherto been the case.

In addition the WSD programme envisaged a new approach to teacher development through continuous in-service training. Under this approach, the professional development of the competencies of serving teachers does not depend on global in-service training

designed by external bodies, as such “top-down designs” hardly reflect the needs of teachers; rather it emphasises that teachers will themselves identify the problems that confront competent service delivery and find common grounds for resolving them.

The programme therefore envisaged that teachers would be guided by their respective district and/or community school head-teachers through the use of lead curriculum or instructional leaders at the school level or via the cluster of schools arrangement at the community level. A District Teacher Support Team (DTST), which was to consist of head-teachers and personnel from the district GES office, were to provide support at the district level. A member of the DTST may be selected from a Teacher Training College; and membership of the team was not to exceed 10. Selection was to be based on performance, creativity and leadership qualities displayed at workshops organised for such purposes.

Implementation of the WSD Programme was through the existing structures of the GES headquarters, regions and districts. At the regional and district levels, decentralisation support structures made up of District Teacher Support Teams (DTST) and Zonal Coordinators were engaged to manage the intervention. The DTST were made up of three groups of consultants²¹ in the three key FCUBE areas: quality of teaching and learning, access and participation, and management efficiency.

An important feature of the WSD is that it promoted local ownership and community participation in schools by sensitising the community, through parent-teacher association meetings, to address the problem of poor pupil learning and achievement in many primary schools especially in rural settings.

It also fostered better organisation of in-service training through a ‘cluster-of-schools’ arrangement. A cluster consists of 5-8 schools through which cluster in-service workshops are formed to be the focus of schools’ improvement activity. Teachers from an individual school form a single school-based in-service unit and the group of five to eight schools the cluster unit. Partnership roles between head-teachers and district teacher support teams then become an important mechanism for offering instructional and management support to schools. Where solutions to problems are beyond the expertise of head-teachers and the DTST, these are relayed to the national WSD Coordinator for support. Thus, the WSD cluster schools became the driver of change for schools’ improvement at the districts and community levels.

²¹ The three groups of consultants who were engaged for 24 months were put into three teams of three members each constituting a mixture of skills in Education and Finance. Each team work with 36 or 37 districts in its zone and provided technical assistance to districts to solve educational and social problems militating against the provision of quality education at the primary level (GES/WSD Report 2004)

3.2.3.3. DONOR PARTNERS ROLE

Technical cooperation support for the WSD programme was primarily from the multi-donor group led by the World Bank, including the United Kingdom DFID, whose primary objective was to strengthen the GES capacity and support the introduction of the WSD approach in order to impact on the country's educational outcomes. Technical cooperation support for the project commenced in 1998 and closed in 2005. Technical assistance from development partners was in two forms:

- Support for training in specific areas identified in GES TA Needs Plan (2000);
- Short- and long-term consultants in key operational and line management positions in GES Headquarters.

A total of UK£15.8 million was initially budgeted to be used as technical assistance from 1998 through 2005; in all a total of UK£15.5 million was actually disbursed over the same period.

The technical assistance project employed the following instruments and involved:

- (i) Adequate vehicles and equipment to facilitate monitoring and evaluation (M&E);
- (ii) Regular logistics and supplies;
- (iii) Short-term training of local staff;
- (iv) Long-term training of local staff; and
- (v) Frequent dispatch of experts to help in monitoring and evaluation (M&E).

3.2.3.4. EMPIRICAL EVIDENCE OF SUCCESSFUL CD RESULTS

A joint review undertaken in 2001 by the WB and DFID indicated that the various forms of technical assistance had made a significant contribution to the impact of the WSD at the school level. The report considered that the TA had been effective in strengthening GES capacity, particularly in the area of financial management, and in supporting the introduction of the WSD approach in most of the districts. The extent and significance of the technical assistance support in the successful start-up and implementation of the WSD, however, raised questions of longer-term programme sustainability and institutional capacity building.

A GES Annual Report (2004) has observed that the WSD has acquired the stature of a national school improvement intervention, which attempts to shift more authority and responsibility for school improvement to the school community and district level. According to the report, the programme has supported the Teacher Education Division (TED) of GES in the training of 2,200 head-teachers and 1,100 district teacher support teams in the promotion of primary practices in literacy, numeracy, problem solving and preparation of teaching and

learning materials. In addition, head-teachers were trained in the use of performance appraisal instruments. There has also been collaboration with other NGOs and development partners to provide training in the promotion of management efficiency for Zonal Coordinators and circuit supervisors (GES WSD Report 2004).

Interviews with government officials at the Ministry of Education and the Ghana Education Service (GES) reaffirm these findings:

- District support teams often employing specialists and retired educationists at the district circuit and community levels are in place;
- The programme has attracted core skills areas with a focus on financial management and reporting; accounting; operational planning; monitoring and evaluation;
- In a few instances consultants and evaluators have been procured by donors to conduct terminal evaluations.

According to one official of the Ministry of Education the WSD programme *“was largely successful, has inspired improvements in M&E at the district schools level, has involved participation at the district and community levels, and has had a strong positive impact in terms of training and organisational management”*.

One of the clearest achievements of the WSD programme has been the impact on the level of teacher supervision and support. A GES Annual Report (2004) on primary school improvement in Ghana noted that due to the efforts of WSD more head-teachers and circuit supervisors than before were sitting in teachers’ classes, discussing with them their lesson plans, looking at samples of students work, and discussing with teachers their career development.

Furthermore, the WSD programme has had initial success in strengthening the capacity of existing education service institutions to tackle specific issues on the FCUBE agenda. It has addressed human capacity at the district level where education personnel in the districts have been sensitised to adapting their operations to address school quality; and educational reforms seem to have been implemented more as a *process* than an *event*, with districts school teachers and other stakeholders involved in the long term planning and implementation of school improvement strategies.

The GES Annual Report of 2004, however, points out a few shortcomings with the WSD programme:

“Non-adherence to rules, regulations and guidelines has weakened capacity built through WSD. The recent mass transfers of District Directors and Accountants without consultation with WSD have created a new vacuum for capacity building and sustainability of the initiatives set in motion through WSD.” (GES WSD Report 2004, page 25).

By all accounts, this is likely to affect the smooth operation of school and cluster-based in-service programmes in the districts.

3.2.3.5. LESSONS LEARNT

A number of lessons and implications are derivable from the WSD experience. These are that:

- A clearly defined framework and strategies to improve primary education needs is a sine qua non.
- Education reform policies need a tangible conduit to channel policy intentions into practice. Using a bounded school improvement initiative such as WSD to implement educational policies provides a good chance for the reforms to make the necessary impact.
- It is better to strengthen the capacity of existing structures within the educational system to support large-scale improvement initiatives than to set new structures that are meant to bypass ineffective ones.
- Decentralised decision making down to the local community level for capacity development and improvements in competencies is a necessary condition that fosters ownership of the reform process; community sensitisation and involvement and strengthening of local participation in service delivery are critical;
- Various education policies need to be synchronised to work in harmony to promote quality primary education.

3.2.4. COUNTRY-LED TC IMPLEMENTATION AND MANAGEMENT

3.2.4.1. BRIEF DESCRIPTION OF INTERVENTION

The Value Added Tax (VAT) administration in Ghana is one of the best examples of country-led technical cooperation implementation and management projects in Ghana. The VAT was successfully established by the Value Added Tax Act, 1998, (Act 546) to provide for the imposition of value added tax and purposes related to the tax. The VAT Service was accordingly established to administer the tax. It is governed by the Revenue Agencies Governing Board and its role in Ghana's economic management is to contribute to raising revenue through tax collection alongside two other tax collection agencies – the Customs Excise and Preventive Services (CEPS) and the Internal Revenue Service (IRS).

The technical cooperation support to the VAT Service was most relevant both in terms of the understanding of the organisational needs and operational context. This was helped by the fact that this was a new organisation and issues relating to staff and salaries were effectively addressed by the principal stakeholder – the Government of Ghana. Consequently, there

was a strong political commitment from other development partners, and an extensive preparatory process involving a number of donor agencies. Technical cooperation support for the project was therefore highly effective, generating the intended outputs with strong ownership from the supported organisations and close harmonisation and alignment with the activities of many of the multi-donor partners within the World Bank group.

3.2.4.2. IMPLEMENTATION ARRANGEMENTS

In addition to Government of Ghana funding of personnel inputs and salaries, the multi-donor group led by the World Bank provided initial TC support for the design of the VAT system and development of the management capacity with respect to:

- The policy and regulatory requirements;
- IT support;
- Staff training; and
- Public education campaigns.

Technical cooperation support was provided in close collaboration with the local counterparts of the Crown Agents – the consulting firm that provided IT inputs for troubleshooting. The IT support enabled the development of a computer-based system – the Value Added Tax Information Processing System (VIPS) – to capture information on traders and records on collection. It involved the procurement and installation of the hardware and software. A resident trainer was provided to train the staff in their use.

Technical cooperation support from development partners focused on the design and implementation of the VAT system in Ghana. Technical assistance support was provided from 1993 to 1995 for the design of the policy and regulatory framework and again from 1997 to 2000 to facilitate the reintroduction of an effective and sustainable VAT system after implementation was initially stopped in 1995.

The technical assistance support also facilitated the design and implementation of a publicity and education campaign to ensure smooth introduction of the VAT. It involved the development of the education and publicity strategy materials and training of the staff in their use.

3.2.4.3. EVIDENCE OF SUCCESSFUL CAPACITY DEVELOPMENT RESULTS

After almost five protracted years of technical cooperation support, an effective and efficient VAT Service has been established with adequate trained staff and computer-based system for administering the tax. The hardware and software for the administration of the VAT have been installed and operationalised, and the VAT Service has continued to run effectively without technical assistance support since 2001.

Today, the VAT Service has become a valuable government institution with a responsive organisational framework, staffed with suitably qualified personnel that are motivated to deliver effective and efficient services. An important aspect of the motivation is that employees are on IRS scales, allowing them a considerably better remuneration package than available, for example, in the civil service.

The VAT Service has a fairly stable staff most of whom have been with the organisation since it was established in 1998. It also has a fairly stable leadership. The current Commissioner has been in place since 2001 and is the second Commissioner since the VAT Service was established in 1998. Staff strength has increased progressively to respond to the increasing demand of revenue collection. The establishment requirement of the Service as of May 2005 was 839 and the number of staff at post is 952 – an excess of 113; meanwhile a new establishment structure is awaiting approval.

The VAT Service also has a well-equipped training unit that provides continuous capacity building to its staff. Staff have been trained in key accounts management to enable them to manage key clients effectively. It provides good customer services by addressing the educational and sensitisation needs of the taxpayer and attending promptly to their needs. Regular announcements and publications are made to remind taxpayers of their VAT obligations.

The establishment of the Revenue Agencies Governing Board (RAGB) in 2001 further strengthened the performance of the VAT Service. The Board provides policy direction and guidelines to the VAT Service and facilitates the determination of revenue and performance targets that are responsive to the economic management requirements of Ghana.

The VAT Service continues to deliver its revenue targets and is generally able to take swift action to tackle non-compliance to maintain its credibility and that of the tax administration system as a whole. It has successfully increased the VAT rate from an initial 10% on the re-introduction in December 1998 to 12.5% in June 2000 and to 15% in August 2004.

The VAT Service has continuously exceeded its revenue targets. Overall VAT collections rose steadily from 3.8% of GDP in 2001 to 6% of GDP in 2006 (IMF Country Report No. 07/211 June 2007). Over the years, collections of import VAT increased significantly faster than domestic VAT, reflecting the relative ease of collection of import VAT.

There are indications that the introduction of the VAT has represented a major improvement over the previous retail sales tax, being both more progressive and more buoyant. It has been an important part of the ongoing and largely successful process of upgrading revenue policy and administration in Ghana.

3.2.4.4. LESSONS LEARNT

The success story of technical cooperation support to the VAT Service has the following implications and lessons for good practices in implementation and management:

- Well-structured, well-delivered TC operating inside a receptive environment, with strong leadership and motivated staff, is bound to deliver outputs cost-effectively and evoke close harmonisation and alignment with the activities of other development partners;
- Continued support of government is important for implementation and sustenance of the any positive organisational change impacts;
- Dynamic leadership and a well-trained and well-resourced staff with the adequate incentives are key to delivering effective and efficient services; an ill-equipped, demoralised and poorly resourced staff would most likely be the impeding drivers to implementing any PFM reform initiative.

3.2.5. COMPLEMENTARITY OF TC WITH OTHER SUPPORT

3.2.5.1. BRIEF DESCRIPTION OF INTERVENTION

Originally established as “Institute of Public Administration” (IPA) in 1961 but re-designated Ghana Institute of Management and Public Administration (GIMPA) in 1969, GIMPA is considered one of the topmost management development institutions in Ghana today. Its mission is to maintain a Centre of Excellence for training in public and business administration by continuously enhancing the capability of middle and top-level executives in public and private sectors both in Ghana and internationally to manage their institutions and enterprises effectively and efficiently.

In 2000 GIMPA initiated a transformation programme and sought and was granted technical cooperation support under the public services reform programme. This assistance which was provided under the mandate of the National Institutional Renewal Programme (NIRP) – the umbrella organisation for public service reforms – was to address initial conditions and constraints that had been confronting the Institute for well over two decades. The initial critical situation in 1999 demanding this transformation included issues of a highly demoralised staff and faculty; poor conditions of service; an over-staffed non-teaching work force; poor and ineffective leadership for the best part of two decades; and low patronage of programmes.

3.2.5.2. IMPLEMENTATION ARRANGEMENTS

Transformation of an institution in these dire straits was no easy task. It took a combination of the NIRP process to give legitimacy to the transformation agenda and a good management and governance relationship to carry the transformation through. These were complemented with commercial loans from domestic deposit money banks, and grants from the World Bank Institute in terms of support for a distance learning programme. At the tail-end of the transformation drive, the African Capacity Building Foundation (ACBF) contracted GIMPA to run a Masters Degree programme for Anglophone West Africa.

Major change actions for implementing the transformation included:

- (i) Leadership commitment to work out of the box for long hours and do what it takes to succeed;
- (ii) Communication of a simple vision of creating a centre of excellence with clear goals of faculty development, financial autonomy, and improved conditions of service;
- (iii) Declaration of redundancy of 40% of non-teaching staff and carrying it through;
- (iv) Establishment of a distance learning centre with support from the World Bank as first fruits!
- (v) Introduction of market-oriented programmes such as Executive Masters and introducing new ones;
- (vi) Bringing world class adjunct faculty from overseas to prop up the teaching of the Executive Masters' programmes;
- (vii) Quantum improvement of physical infrastructure using commercial bank loans;
- (viii) The introduction of an instant hit "Greenhill College" of undergraduate adult education programmes;
- (ix) Going for accreditation of all its degree and post-graduate programmes; and
- (x) Securing the passage of a new GIMPA Law, Act 676 of 2004, to transform GIMPA into both a management development institute (MDI) and a specialised university.

3.2.5.3. EVIDENCE OF SUCCESSFUL CD RESULTS

After almost five strenuous years of commitment and dedication to transform a management institute in dire straits in the late 1990s, GIMPA has become an enviable MDI still focusing on training of public servants. It is currently both a Public Service School of Ghana and a specialised university for training in leadership, public management, business administration and information and communication technology (ICT). The results of the GIMPA transformation drive have been overwhelming:

- It is ranked among the topmost schools of Public Development Management in Sub-Saharan Africa;
- It is an excellent leadership training institution with unique "Executive Masters in Governance and Leadership"; it enrolls about 15% of Ghana's Parliamentarians in its degree and post-graduate programmes in Governance and Leadership;
- Its degree programmes are oversubscribed and it has restored its image as a reliable partner in capacity building of the civil service;

- It has a four-year contract with ACBF for training public managers in all Anglophone West African countries; and
- It runs the first ever HND top-up degree programmes in the country.

In order to preserve the integrity of public services training, GIMPA is organised into semi-autonomous schools. GIMPA Public Services School is an MDI dedicated to training civil servants and has its own dean and dedicated faculty.

The expansion into other related disciplines – Governance and Leadership, Business Management and ICT – have brought several advantages to the GIMPA Public Services School, including:

- Its ability to draw on the expertise of the 87 strong faculty of GIMPA as a whole;
- Subsidisation of the Public Services School for 5 years to build its capacity and regain its place in public service training;
- Sharing improved training environment, including ICT; and
- Bringing traditional business school programmes to bear on public service training.

Today GIMPA Public Services School not only attracts training and consultancy contracts from other countries in West Africa, it was awarded a US\$1.4 million contract in 2006 by the Government of Ghana to retrain the top echelon of Ghana's civil service. The School's leadership also plays vital advisory roles in ongoing public sector reforms in the country.

3.2.5.4. LESSONS LEARNT

There are quite a few lessons and implications of the GIMPA success story that can be derived for education sector reforms:

- The government's reform umbrella, the NIRP, has given legitimacy to GIMPA's change management. This had been buttressed by support from the Court of Governors – the Governing Council of the Institute. But improved leadership and management and building of a strong, capable and goal oriented management team have also been important success factors. Clearly, a critical lesson is that a "guiding coalition" or a committed change management team to bring in a critical mass of new staff, if the situation demands, is needed. A good governing board is a jewel; a bad one is like a toothache! A good governing Board that respects the norms of modern corporate governance is most important. But in all of this government support is a critical prerequisite.
- The improvement in the range and quality of GIMPA's degree and post-graduate degree programmes has essentially been driven by customer demand; the recruitment of qualified and respected faculty, as also the change in work ethics, all

played important roles in the transformation drive to achieve the enviable successes chalked by GIMPA.

- Transformation requires thinking out of the box. Clear targets and action plans (a strategic framework) and sticking to them are important. The role of effective communication with internal and external clients is vital. Defining and limiting the role of external consultants is important. The recommendation is for “process consultants” who challenge management but seek to do the reform themselves. Reform hardly succeeds when driven by outsiders.
- The most difficult part of reform is cultural change (attitudes, time management and performance appraisal). Managing resistance and opposition is part of transformation and must be done effectively including dealing “surgically” with saboteurs. Never let go of vigilance nor celebrate achievement too early. It takes a long time to succeed.

3.2.6. ORGANISATIONAL LEARNING AND SUSTAINED CHANGE

3.2.6.1. BRIEF DESCRIPTION OF INTERVENTION

A good example of technical cooperation for organisational learning and sustained change can be found in the case of the Parliament in Ghana. Since its re-establishment in 1992, the Parliament in Ghana has been working hard to improve its capacity to contribute to better governance in Ghana. The constitutional debates and the national referendum of the early 1990s showed clearly that Ghanaians sought transparency and democratic responsiveness in their governing structures. Consequently, the role of Parliament as a key oversight institution to make the Executive accountable for its actions was built into major constitutional provisions. Poverty reduction strategy efforts in Ghana also emerged as the main new priority for Members of Parliament (MPs), and there is a crucial monitoring role for target committees, including the Public Accounts Committee (PAC) and the Finance Committee of Parliament.

In late 1996, the Parliament in Ghana requested capacity development support for members of its PAC and Finance Committee. It was thought that the forthcoming elections in December 1996 would result in an effective opposition and that the new MPs would benefit from understanding the what, why and how of financial management reforms, especially as the new Parliament was expected to play an important role in exercising parliamentary oversight of public expenditures.

Several challenges had emerged following the 1996 elections that necessitated technical cooperation support:

- Few MPs had experience in Parliament or in dealing with the policy issues they would soon have to address;

- The election had been bitterly fought and partisan tensions were high; and
- Fundamental weaknesses existed in Ghana's public financial system, including chronic arrears in the public accounts, malfeasance throughout the civil service, and incompetence of many low-level officials. Moreover, the PAC and the Finance Committee themselves had no support staff or even a place to meet.

3.2.6.2. IMPLEMENTATION ARRANGEMENTS

Collaborating initially with Ghana's Institute of Economic Affairs (IEA)²², the World Bank Institute (WBI) and the Parliamentary Centre of Canada planned a series of workshops, whose objective was to provide practical advice to MPs on the budget process and relate it to the wider economic reform programme to modernise and streamline Ghana's public sector. The first workshop examined the attributes of successful parliamentary committees and reviewed the difficult economic and financial situation facing the country; subsequent activities focused on the budgetary process and committees' annual work plans.

In 1998 the Canadian International Development Agency (CIDA) awarded the Parliamentary Centre a grant to implement a multi-year parliamentary capacity-strengthening project in Ghana. This anchored the then ongoing training programme in a broader effort to strengthen parliamentary governance in Ghana. The project was also extended to be executed until April 2003 to take account of impending parliamentary elections in 2000, which had similar characteristics and familiar patterns as in 1996, with additional quests to improving competencies of new MPs regarding public financial management in line with emerging poverty reduction strategies.

The primary objective of this project, therefore, was to provide technical assistance for purposes of strengthening accountability, transparency and participation in the Parliamentary governance of Ghana, with particular focus on capacity-building in public financial management.

The expected outcomes of the project were:

- Increased capacity of the committees to participate effectively in national government decision-making concerning economic policy, resource allocation, and the budget process and public expenditure management; and
- Increased capacity of the committees to monitor and evaluate public expenditure management efforts so as to promote accountability, encourage participation, assure compliance with national systems of financial administration, and ensure implementation of decisions that foster effective achievements of PFM reforms.

²² Other institutions, including CEPA, Centre for Democratic Development, ISODEC and the Institute for Policy Alternatives, also subsequently became involved.

Although the objectives of the technical assistance interventions were originally focused primarily on enhancing capacity at the organisational level, this necessarily involved working at the level of the individual MPs (by increasing their ability to understand governance and budget issues) and at the institutional level (by enhancing the interaction of the committees in Parliament with both civil society groups and MDAs).

3.2.6.3. DONOR PARTNERS ROLES

Technical cooperation support was in the form of the following interrelated activities:

- Training events on the medium-term expenditure framework and the budget process;
- Provision of information resource coordinators to facilitate the strengthening of capacities in the several training events;
- Annual workshop retreats for the committees to deal with ongoing and emerging policy concerns and to foster cross-partisan committee cooperation and consensus on plans and priorities for work;
- A responsive training and policy studies fund, including a provision for training committee staff as well as new MPs in areas of the budget process and the MTEF; and
- Opportunities for the committees to expand ongoing international and regional linkages, which provide new insights that can be transferred to other committee members.

3.2.6.4. EVIDENCE-BASED SUCCESSFUL OUTCOMES

There are indications that the technical cooperation intervention in strengthening the capacities of the PAC and the Finance Committee of the Parliament in Ghana has provided Parliament a unique vantage point to observe and absorb budgetary processes and oversee public financial management issues in real time. This perspective has allowed it to get refreshed insights and enabled the PAC and the Finance Committee to assist other committees of Parliament in various consultation activities to enhance their capacity and reach out and hear views from civil society and other interest groups and stakeholders.

The technical cooperation support to the Parliament in Ghana evidently had considerable impact at the organisational level. To a very large extent, the training provided to members of the PAC and Finance Committees of Parliament resulted in:

- Increased knowledge and effectiveness of committee members, resulting in widely positive perceptions of the work of the PAC and the Finance Committee;

- Significant contributions to cross-partisan cooperation at the committee level that have strengthened Ghana's governance system;
- Increased parliamentary involvement in Ghana's PRSP process;
- Improved transparency of economic reporting;
- Significant increases in understanding and communication between civil society groups in the North and Parliamentary committee leaders;
- Gains in strengthening democratic choice in Ghana by improving credibility of opposition MPs via their participation and roles in the leadership of the PAC; and
- Increased engagement of women and participation of women in economic decision-making.

As early as 1997, the then chairman of the Finance Committee wrote "...the workshop in no small way cleared the perspective of members and will certainly be of enormous assistance to them in the discharge of their duties as members of the Finance Committee." Within the committees, partisan considerations began to play a lesser role and informal links with the Ministry of Finance and Economic Planning and other ministries, departments and agencies (MDAs) were developed.

Two other patterns of evolving relationships began to emerge. The first was the interplay among MPs within the two committees. Each committee began to see itself as a unit, with members acting as part of the committee rather than as party representatives. By 2001 the PAC had adopted the role of principal watchdog over expenditures and operated as an activist body able to take initiatives. The Chair of the Finance Committee at the time reported that the workshops had helped in determining the broad parameters of the committee's future work and developing concrete steps to take.

The second pattern was cross-partisan cooperation on various issues. Examples included how to improve financial reporting, transparency, and deepening the processes of monitoring public sector expenditures in order to prevent abuse. There were also efforts directed at encouraging cooperation between the committees and the Commission on Human Rights and Administrative Justice (CHRAJ) and between the PAC and the Serious Fraud Office (SFO). The PAC began to use field-based reviews of projects by sub-committees to provide assessments of government spending, thereby initiating a process partially compensating for late release of the Auditor General's reports. The Finance Committee also successfully developed a detailed checklist of points for consideration in approving foreign loans.

It is worthy of note that the PAC of Parliament held its first public meeting 16-26 October 2007. The meeting considered the Report of the Auditor General on Public Accounts of Ghana for the financial year 2004/2005 (Ministries, Departments and Agencies of the Central Government). The public sitting of the PAC generated a lot of interest among the general

public including civil society organisations and political parties. Whilst there is general agreement that the process will induce accountability in the use of public funds, the exposure of cases of incompetence, mismanagement, fraud and dishonesty in the management of public funds sounded very alarming to the entire citizenry. In addition to various forms of financial malfeasance revealed at the public hearing, there was ample evidence of poor record-keeping and data management within the public sector. The revelations at the public hearing are the strongest signal yet that the collaboration of all arms of government – the Executive, Parliament and the Judiciary – is a prerequisite for rooting out the abuse of public resources and the inimical impact on national socio-economic development.

Government and other stakeholders have applauded the decision of the PAC to conduct its business in public, with the hope that merely naming and shaming individuals and agencies engaged in fraudulent conduct can contribute to reducing corruption.



A Cross Section of PAC Members at the Public Hearing



Clerk to the PAC administering the oath of witness before the Committee to Minister and Officials of the Ministry of Water Resources, Works and Housing

3.2.6.5. LESSONS LEARNT

Several lessons have emerged from the experience of the technical cooperation support to the Parliament in Ghana:

- (i) Strong domestic political support is necessary;
- (ii) Parliamentary strengthening activities should complement broader governance reform efforts;
- (iii) Training activities should be integrated into broader parliamentary capacity-building initiatives;
- (iv) Training activities need to reflect the evolving parliamentary agenda;
- (v) A non-partisan approach in overseeing public expenditure accounts and finance is essential;

- (vi) Committees' activities must connect with the administrative structure of Parliament; and
- (vii) Parliamentary committees benefit enormously from direct interface with international organisations, among others, the WBI and the Parliamentary Centre of Canada.

Yet challenges remain. Little effort has been given to change the incentive system for MPs. Furthermore, staff and research support for the PAC and the Finance Committee remains inadequate and capacity-building efforts should be extended to other departmental Parliamentary committees overseeing such government programmes as decentralisation, local government, and health and sanitation.

3.3. SUMMARY OF LESSONS LEARNT AT THE SECTORAL LEVEL

The experiences over the last decade of technical cooperation effectiveness with respect to support for PFM and education sector reforms in Ghana have proven to be varied, with somewhat similar lessons derived from all the good practice experiences cited in the preceding section. The policy implications for reforms in the two thematic sectors are not entirely incompatible, even though there is an increasing emergence of using the sector-wide approach (SWAp) implementation arrangements in the education sector.

On the whole, the experiences in the PFM reforms have not been particularly unsatisfactory, as there have been enviable cases of very positive and sound organisational changes brought about by technical cooperation support. All the good-practice experiences of PFM reforms cited in the preceding section have generally been biased towards traditional investment projects involving some form of conditionality. An exception is the technical assistance for the GFG Programme, which uses a direct mode-of-delivery approach.

In contrast, there are indications that the education sector is increasingly implementing the SWAp arrangement in some of its reforms. Such an arrangement is proving to be more effective than the traditional investment lending practiced by some donor institutions in helping build capacity at the institutional level. Multiple donors addressing systemic issues together with the sector management were able to facilitate consideration of policy changes and institutional reforms in a more collaborative fashion than is typically possible through projectised Technical Assistance favoured by most donor institutions.

Three common themes running through the lessons learnt from the good-practice case studies are that successful outcomes are achievable with well-structured technical cooperation designs, strong and continuing government and domestic political support, and dynamic organisational leadership and teamwork to ensure sustenance of the positive impacts of technical cooperation-supported projects. These are summarised in turn:

3.3.1. WELL-DEFINED PLANS AND STRATEGIES

Technical cooperation support to all of the good-practice case studies shows clear success stories of well-structured, well-delivered technical cooperation support operating inside a receptive environment. All the projects delivered their respective outputs cost-effectively and within the intended time schedule and all of them evoked some elements of harmonisation and alignment with the activities of other development partners.

In the WSD Programme, the lesson was noticeably that an education policy to improve quality primary education must have a clearly defined framework and strategies to achieve its goals. It suggests that the importance of including and defining clearly the different roles expected of key players and partners is a sine qua non for effective service delivery.

Similar lessons are derivable from the GIMPA experience – that clear targets and action plans, and sticking to them, are important; it also suggests that defining and limiting the role of external consultants is crucial, as “reforms hardly succeed when driven by outsiders”.

Experiences of the distance education programme in Ghana also suggest that serious work is required in the design and implementation of such a programme. The experience indicates that the various sub-sectors of the tertiary education system must be coordinated to provide continuous access from secondary education and training to the tertiary system and that programmes and curriculum development must be jointly planned to ensure minimal duplication.

Lessons from the good-practice case of the Parliament in Ghana buttress the defining role of technical assistance in terms of (i) the need to reflect the evolving parliamentary agenda; (ii) the need to integrate training activities into broader parliamentary capacity-building initiatives; and (iii) the need for committees’ activities to complement broader governance reform efforts.

In the good-practice case of the technical assistance-supported GFG Programme, there is evidence of a well-designed programme providing for a balanced mix of services to support budget formulation, tax policy and capacity development and legal advisory services to revenue agencies and the Parliament in Ghana.

3.3.2. DOMESTIC POLITICAL SUPPORT

The experiences of technical cooperation support with respect to all six of the good-practice cases also indicate that good institutional, organisational and human capacity can be created and sustained with technical cooperation from Ghana’s development partners. To do so effectively will require the government to address institutional issues such as adequate staffing and remuneration packages for staff in order to sustain such projects.

In the GFG Programme, the Government of Ghana realised the need for an efficient and effective tax system and set in motion the process of obtaining a well-crafted technical cooperation support to realise it.

In respect of the GIMPA experience, it was quite noticeable that the government's reform umbrella, the NIRP, had given legitimacy to GIMPA's change management. This had been buttressed by support from the Court of Governors – the Governing Council of the Institute. The lesson derived in that particular case is simply that *“A good governing board is a jewel; a bad one is like a toothache! A good governing Board that respects the norms of modern corporate governance is most important. But in all of this government support is a critical prerequisite.”*

Government initial support had also played an important critical role in giving momentum for implementing the VAT Service project and also sustaining the positive organisational change impacts it had on revenue collection. The lesson in that regard is that continued domestic political support is important for implementation and sustenance of any positive organisational change impacts, in terms of both revenue collection and service delivery.

Similar lessons were derived in the WSD Programme, the Parliamentary reform programme as well as the distance education programme. In the latter case, the Ministry of Education and tertiary education personnel are urged to develop an organisational culture and view themselves as *“Partners in Tertiary Distance Education”*.

3.3.3. LEADERSHIP AND TEAMWORK

Improved leadership and management and building of a strong, capable and goal oriented management team have also been important success factors in the experiences of the good-practice cases. In all of these cases, a critical lesson is that a *“guiding coalition”* or a committed change management team to bring in a critical mass of new staff, if the situation demands, is needed.

Through its shared collaboration with the donors and the revenue agencies, the GFG Programme facilitated a mutual exchange at both the national and district administration levels, informing districts and regions about national policy and inspiring national policy by experiences on the ground. This good teamwork and mutual collaboration and partnership were the effective tools behind the successful outcomes in the establishment of the Tax Policy Unit at the Ministry of Finance and Economic Planning and the ongoing automation of the Internal Revenue Service.

Dynamic leadership and a well-trained and well-resourced staff with the adequate incentives were the key drivers behind the VAT Service experience in delivering effective and efficient services. The lesson in this instance is that an ill-equipped, demoralised and poorly resourced staff would most likely be the impeding drivers to implementing any PFM reform initiative.

Again, the improvement in the range and quality of GIMPA's degree and post-graduate programmes had essentially been driven by customer demand; the recruitment of qualified and respected faculty, as also the change in work ethics, all played important roles in the transformation drive to achieve the enviable successes chalked up.

In the case of the WSD Programme, the big investment in head-teacher training and development of their schools is a good example of engaging the leadership on the formidable challenges provided by systematic change.

The experience of the distance education programme shows that government and the universities must make such a programme a priority to serve a population who would not otherwise have access to education. Moreover, a quality distance education unit has to be able to develop and maintain performance in terms of efficiency and effectiveness, capability and sustainability. For government, managing human performance and development is both a journey and a destination!

3.3.4. OTHER LESSONS

Aside of these common themes derived from the lessons learnt from the good-practice experiences, there are others that are distinctive to specific experiences and do not cut across. For example, in the WSD Programme, the critical success factors seem to be continuous engagement in projects with a clear and focused mandate, appropriate strategy, and well thought-out implementation plans. There seemed to have developed in the education sector a vision for policies and procedures to shift service delivery to the district and community levels. These have noticeably been the driving forces behind the highly successful WSD programme. In addition, the combination of in-service training through a 'cluster-of-schools' arrangement, community involvement and management skills proved particularly effective in capacity building.

Lessons from the WSD Programme also suggested that it is better to strengthen capacity of existing structures within the educational system to support large-scale whole school improvement initiatives than to set up new structures that are meant to bypass ineffective ones. It has also shown that decentralised decision making down to the local community level for capacity development and improvements in competencies is a necessary condition that fosters ownership of the reform process; community sensitisation and involvement and strengthening of local participation in service delivery are critical factors that must not be ignored or given the back seat. This also calls for the synchronisation of the various educational policies to work in harmony to promote quality primary education.

From the GIMPA experience, the distinctive lesson in the reform process has been one of cultural change (in attitudes, time management and performance appraisal). Managing resistance and opposition is part of transformation and must be done effectively including dealing "surgically" with saboteurs. The recommendation is: *"Never let go of vigilance nor*

celebrate achievement too early. It takes a long time to succeed". This is a challenge applicable to all reforming sectors – PFM and education sector reforms.

But an equally challenging task relates to addressing the institutional deficiencies of poor pay and conditions of service for public servants and the reluctance to decentralise authority and decision making to district and local authorities. Lessons from the past years singled these out as the underlying factors that led to a weakening in the design of many of the TC-supported initiatives in PFM reforms.

The experience of the distance education programme also suggests that while staff may be highly committed and work extremely hard to coordinate activities of the system, they need further training in the specialised field of distance education. Moreover, education planning needs to take into account the important role of women in socioeconomic development, as the high patronage of women in such programmes may serve to reduce the sex ratio disparity in Ghana's tertiary education system.

Finally, the good-practice experiences of the GFG Programme amply demonstrated that the holistic and sustainable approach employed by the technical assistance was quite different from the ad hoc mode-of-delivery. It allows for the testing of concepts, for building capacities at all levels, for continuous monitoring of performance, for detecting gaps, and for further developing innovations together with national stakeholders.

4. ISSUES IDENTIFIED, RECOMMENDATIONS AND OVERALL CONCLUSIONS

4.1. KEY ISSUES IDENTIFIED

The effectiveness of external flows of technical assistance to recipient countries has become a critically important issue. Consequently, effective technical cooperation coordination must be undertaken cohesively and seriously. A number of recurring issues have been identified in this study:

- (i) Improving the effectiveness of technical assistance for capacity development has for long been donor-driven with little evidence of active government ownership in the process. There is clearly a need for strengthening the role of the coordinating agencies of government in collaboration with development partners. The situation is more serious at the level of line ministries and MDAs and at decentralised levels of districts and local authorities.
- (ii) There appear to be neither a formal policy on development cooperation nor an informal policy regarding the use of technical cooperation or the relative balance between technical assistance projects, sector-wide approaches and budget support. The absence of such technical cooperation policy documents has meant that decision making to guide line ministries and MDAs on the procurement and use of technical cooperation, particularly at the district and local authority levels, could be gravely hampered, with potentially disastrous consequences for Ghana's development goals in pursuit of the reform process.
- (iii) The problem of budget fragmentation is still present in the education sector, with some dependence on project implementation units. This is in spite of the fact that a Funds and Procurement Management Unit was established in 1999 to consolidate a number of parallel implementation units (PIUs) and gradually flush out the operations of these PIUs by integrating their functions within the structures of the Ministry of Education.



There are also three related issues for technical cooperation at the national level, namely that:

- (i) Coordination of technical cooperation must respond to clearly established national manpower needs of the country;
- (ii) Technical assistance ought to be results-oriented and linked to the needs of the national development plan and agenda;
- (iii) There is need for the development partners to ensure value-for-money, making sure that their field operations are neither competing nor duplicating but focused on building capacity for poverty reduction at national, regional, district and local authorities' levels; and
- (iv) There needs to be more monitoring and evaluation of technical assistance to ensure effectiveness in its utilisation.

Finally, the experience of technical cooperation support with respect to all six good-practice cases indicates that good institutional and human capacity can be created and sustained with technical cooperation from Ghana's development partners. To do so effectively will require:

- The government to address institutional issues such as adequate staffing and remuneration packages for staff in order to sustain institutional and organisational change management systems;
- A well-crafted technical cooperation support;
- Continued domestic political support.

There are also good-practice experiences for successful organisational management, the building blocks of which include the following:

- Continued domestic political support is important for implementation and sustenance;
- Clear action plans and sticking to them;
- Dynamic leadership and a well-resourced and well-trained staff with the adequate incentives;
- Strengthening the capacity of existing structures rather than creating new structures;
- Change in work ethic (attitudes, time management and performance appraisal).

In respect of donors and donor agencies, even though they employ different modes in the delivery of technical assistance, it is essential that they are active in:

- The initial dialogue and identification phase, involving getting agreement, producing ToR, contracting resources, shaping agenda and mobilising stakeholders;
- The reform and design phase of the TA support initiative;
- The implementation and change management phase, requiring making appointments and mobilising consultants, and defining the management structure and other consultative processes;
- The implementation phase, involving supervision of TC contractors and preparation and agreeing on procurement guidelines and procedures.

In all of these phases, the donors' role is essentially to *facilitate* rather than *direct* the process of turning broad goals into an actionable plan. Donor support should be provided in a coherent, coordinated, and programmatic manner; they have very little ability to create incentive for capacity development where it does not already exist.

It is also worth noting that an overarching principle defining effective TC for CD is that capacity development is not a donor activity, but a task for the government. In other words, capacity development is primarily endogenous to a country, based on voluntary action and motivation. Donor TC initiatives can support capacity development – these efforts should be rooted in the partner country's goals and strategies. The following summarises some important principles that have emerged:

- (i) *Supporting country leadership and ownership should be central to donor approaches*
 - Capacity development is most likely to succeed when countries view it as serving their self interests and are committed to taking the actions necessary to implement it.
 - Country ownership implies an engagement throughout the entire chain of activity - problem definition, diagnostic analysis, design of the action plan and proposed interventions, and implementation.
 - Ownership and commitment require strong political support from the highest levels, evidenced in timely decisions and agreement to introduce new legislation. Working-level commitment from the government's staff is also essential.
- (ii) *Capacity development design and sequencing should fit specific country circumstances, rather than reflect standard or imported solutions*
 - Effective capacity development starts with the premise of building upon what already exists, rather than transplanting entirely new systems.
 - It should make use of local knowledge and build upon existing values where possible.

- The timing and scope of interventions are designed to be consistent with the country's capacity – be it political, social, or managerial – to implement change. All too often, well-meaning capacity development programmes have led to overstretching key government officials and dispersing effort, thus minimising results. Reform overload should therefore be avoided.
- (iii) *The institutional, organisational and individual levels of capacity development, including managerial and technical aspects, should all be taken into account in programme design and implementation*
- Capacity development must be viewed from a holistic or systemic perspective, and not merely as a transfer (e.g. of skills). Though new equipment, training programmes and updated procedures all play a role, design of effective capacity development takes into account the political, institutional and organisational context in which change must occur.
 - Capacity development is linked with institutional and human development. Care should be taken to build on the existing base and not to “re-invent the wheel” or unnecessarily create new institutions.
 - In promoting change, and in order to achieve sustainable results instead of temporary islands of excellence, it is important to understand how these various system levels interact. Change management issues must increasingly be considered.

4.2. KEY RECOMMENDATIONS

The following recommendations are consistent with the key findings of the study.

- The effectiveness of technical cooperation support for capacity development has greatly been improved through the mutual partnership built between the Government of Ghana and development partners. The mutuality of cooperation must be kept alive for building a solid and sustainable relationship between Ghana's economic development efforts and technical cooperation support from development partners.
- The framework for strengthening coordination, management of external resources for development and national ownership of the development process must also be reinforced. Improving the effectiveness of technical assistance for capacity development in Ghana has for long been donor-driven, with minimal evidence of active government leadership in the process. This calls for strengthening the leadership role of the Ministry of Finance and Economic Planning.
- Again, the creation of a mechanism by the government to allow for the monitoring of external aid flows would not only increase accountability and transparency but also underscore the importance of using allocated external aid flows and technical

assistance more optimally. This also calls for the strengthening of the Aid and Debt Management Division of the Ministry of Finance and Economic Planning, with an added focus of building a credible database on aid and technical assistance flows into Ghana.

- There is also the need for the government of Ghana to come out with an External Aid and Technical Cooperation Policy with clearly defined frameworks for external assistance to Ghana (including the modalities, budgeting protocols, alignment requirements, procurement rules and guidelines, and partnership behaviours).
- In spite of the fact that this Study may not have fully examined all the aid modalities, there are indications that development partners, working together with government, are using a variety of funding arrangements within a sector-wide approach (SWAp), are implementing capacity development programmes according to the policy strategies of government and are using resources more rationally and optimally in order to strengthen the capacity development requirements of the country.

The present study has not sufficiently examined the full range of the modalities of delivery, as this falls outside the scope of work. Future work in this area should make a deliberate effort to do this and include the findings into the discussion. Nevertheless, lessons elsewhere indicate that many arrangements that aim to be “full” pooling end up in practice as “loose” and often remain so for a considerable time on account of weak national management capacities. Such lessons suggest that applying a mix of TC mechanisms can be a useful strategy if it is government-coordinated and if it falls within a coherent strategy of capacity development.

4.3. OVERALL CONCLUSIONS

- (i) External flows of technical cooperation into Ghana’s development efforts aimed at strengthening and sustaining institutional, human and sustainable organisational change management capacities improved significantly following the successful outcome of the multi-donor budget support initiative in 2003. The historical experience shows that technical cooperation support to Ghana more than doubled from US\$2.6 billion in 1997-2001 to US\$5.5 billion in 2002-2006 – the equivalent of 86% of net overseas development assistance.
- (ii) Mutual partnerships, involving the sharing of analytic and advisory work, and the high level dialogue on strategic policy issues, also fostered a more effective coordination approach to aligning technical cooperation support to the national strategic priorities summarised in the GPRS II pillars.
- (iii) At the sector/thematic level, both the Government of Ghana and development partners played very important roles in identifying capacity development gaps and filling these with appropriate technical cooperation support. Sector groups have also

been formed to oversee how best to align capacity development priorities to technical cooperation commitments of development partners.

- (iv) In broad terms, the policy priorities at the sector/thematic level have been well-defined and aimed at addressing the myriad of development challenges confronting Ghana. Development partners have remained committed in support of Ghana's policymakers in meeting the challenges.
- (v) In relative terms, technical assistance coordination in education has been more effective than in PFM reforms, where progress has been at a slower pace. Even within education, however, technical assistance coordination has been disparate, and there are still challenges in effectively harmonising technical assistance support.
- (vi) Successful capacity development outcomes have been registered at the sector/thematic level. In PFM reforms, the key landmarks have been the following:
 - The oversight body for public procurement—the Public Procurement Board—has been established and bidding documents standardised;
 - The Public Procurement Law has been enacted by Parliament;
 - A Tax Policy Unit has been established to strengthen policy capacity in revenue forecasting and tax administration; and
 - Procedures to establish institutional and organisational change management systems at the Revenue Agencies Governing Board have been set in motion.

In education the key landmarks have included the following:

- Ghana has been touted as a frontrunner in achieving the education goals of the MDGs;
- Education services at the basic level have been expanded and Ghana has set high standards for itself in post-basic education attainment; and
- The Whole School Development Programme, requiring effective management of schools with the involvement of regional, district, and local authorities, has been rated as highly successful.

The overall conclusion is that while the efforts at effectively coordinating and harmonising technical cooperation support towards capacity development priorities of government is commendable, the framework for strengthening coordination, partnership and ownership at both the national and sectoral levels must be further assessed and reinforced. At the sector/thematic levels, efforts must also be made at extending coordination roles to district and local authorities.

While MDBS has been a catalyst for increased external aid flows, Ghana has also enjoyed relative political stability and a prolonged period of accelerated economic growth. In addition, Ghana benefited from scaled-up technical cooperation on the part of development partners, having reached the HIPC Completion Point in July 2004.

Finally, the good-practice examples are pointers to how best to cast well-structured technical cooperation designs that not only evoke elements of harmonisation and alignment with activities of other development partners but more importantly how they are able to deliver desirable outputs cost-effectively with the active involvement of domestic stakeholders.

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ANNEX A: PROJECTS, DELIVERY MODES, AND BENEFICIARY STAKEHOLDERS

Table B.1: Education Sector

Title of Project	Type of TC	Beneficiary Institution	Amount
Children Participation	Grant Aid, Equipment	BED, GES	GH¢4.2 m
Eradicating Child Labour	dispatch of experts		GH¢8.6 m
Capacity Strengthening in Districts Planning	short-term training of local staff	MoESS	GH¢93.2m
Quality Educational Service	grant aid, experts dispatch	HRMD Division of GES	GH¢51.5m
Building Scope Project	Grant aid/dispatch of experts	TVET, GES	C\$1.3 mill
JICA STM Project	expert dispatch/equipment and short/long-term training	TED of GES, MoESS	n/a
JICA INSET Project	expert dispatch/equipment and short/long-term training	TED of GES, MoESS	n/a
JICA TVET Master Plan	dispatch of study team	MoESS	n/a
TVET Support Project	expert dispatch/equipment	Council of TVET & MoESS	US\$3.34m
JICA CD in Educational Planning	expert dispatch/equipment and short/long-term training	PBME of MoESS	US\$390,000

Table B.2: Public Financial Management

Title of Project	Type of TC	Beneficiary Institution	Amount
Tax Policy Unit Project	expert dispatch/equipment and short/long-term training	Tax Policy Unit of MoFEP	US\$1.5m
GFG Programme Tax Policy & administration	expert dispatch (local and foreign)	MoFEP	n/a
Aid and Debt Management Project	grant aid facility (USAID), Equipment supply; staff training (local & foreign)	ADMD of MoFEP	US\$500K
Capacity Building in TSSP	Grant aid experts dispatch	MoFEP	DKK7.8 m
EMCB-FSR Project	Grant aid, long-term staff Training abroad	FSD, MoFEP	US\$2.5 m
GAS Project Support	expert dispatch/equipment	GAS	EUR 1.4 m
	Mix of short-long-term	GAS	EUR 3.5 m
	Training of staff (local and foreign)	GAS	GH¢6.56 b

Title of Project	Type of TC	Beneficiary Institution	Amount
Tax Policy Unit Project	expert dispatch/equipment and short/long-term training	Tax Policy Unit of MoFEP	US\$1.5m
GFG Programme Tax Policy & administration	expert dispatch (local and foreign)	MoFEP	n/a
Aid and Debt Management Project	grant aid facility (USAID), Equipment supply; staff training (local & foreign)	ADMD of MoFEP	US\$500K
Capacity Building in TSSP	Grant aid experts dispatch	MoFEP	DKK7.8 m
EMCB-FSR Project	Grant aid, long-term staff Training abroad	FSD, MoFEP	US\$2.5 m

Table B.3: Donor Agencies

Title of Project	Type of TA Assistance	Beneficiary Institution	Amount
DFID ESS Programme	GES TA Needs Plan	Ghana Education Service	GBP15.8m
DFID ESS Programme	short and long-term Consultants and GES line management	Ghana Education Service	GBP15.5m
WFP Girls Education	dispatch of experts equipment supplies, short-term training of local staff, M&E, self-evaluation study, targeting, advocacy and sensitisation	Ghana Education Service	n/a
CIDA MTEF Project	dispatch of experts, Equipment supplies/training (short-term staff training only)	MoFEP, GAS, IAA	CDN\$600K
WB PFM External Review	dispatch of experts	MoFEP, IAA	US\$35K
WB HIPC Expend. Review		MoFEP	US\$15K
WB Procurement Assessment		PPB	US\$15K
WB Financial Accountability		CAGD, AG	US\$15K
EC Monitoring and Auditing Project	expert dispatch, equipment supplies and short-term Local staff training	GAS, IAA	EUR5.6m
			EUR4.6m
GTZ GFG Programme	dispatch of experts Equipment supplies short-Long-term staff training (local and foreign) and	MoFEP, RAGB, IRS, VAT Service, Parliament civil society	EUR2.0m

Title of Project	Type of TA Assistance	Beneficiary Institution	Amount
	Advocacy & sensitisation		
DFID IPPD (Phase II)	expert dispatch	MoFEP	GBP2.3m
DFID IPPD IBM Rs/600	equipment supplies	MoFEP	GBP764K
DFID Support Public Procurement Act 663	Procurement specialist, short-term training	PPB, MoFEP	GBP118K