

## Republic of Ghana country programme evaluation

Since the mid-1980s, Ghana has been one of the strongest economic performers in Africa. The country attained middle-income status in 2011. The prevalence of poverty overall fell from 51.7 per cent in 1990 to 28.5 per cent in 2005/2006. However, this success has been largely skewed in favour of the south of the country, where the number of poor declined by 2.5 million between 1992 and 2006. In the three regions constituting North Ghana (the Northern, Upper East and Upper West regions), the number of poor increased by 900,000. In the Upper West Region, the prevalence of poverty remained at its country-high level of 88 per cent between 1991/1992 and 2005/2006, whereas it increased in the Upper East from 67 per cent to 70 per cent.

Ghana is the largest recipient of IFAD loans and grants in the West and Central Africa region. Since 1980, 16 projects have been approved for an aggregate of US\$675 million with total IFAD financing of US\$225 million (33 per cent of total costs) through loans on highly concessional terms. IFAD opened a country office in Ghana in late 2010. A country programme manager was outposted to Accra in early 2011.

This profile provides a summary of the second country programme evaluation (CPE) of Ghana undertaken by the Independent Office of Evaluation of IFAD in 2011. The main objective of the CPE was to assess the results and impact of IFAD-funded activities in Ghana and generate findings and recommendations to serve as building blocks for the next country strategic opportunity programme for Ghana.

### Main evaluation findings

Compared with the results of previous evaluations, the performance and achievements of the IFAD-supported portfolio have improved. Progress in institutional development has been one of the major areas of portfolio achievement, particularly for rural finance, local governance, and agricultural technology transfer. In rural finance, IFAD-supported interventions have successfully upgraded the technical skills and supervisory capacity of

the Ministry of Finance and the Bank of Ghana, thus contributing to strengthening the regulatory system. The interventions also introduced the apex organizations of rural banks and credit unions to good international practices and helped them provide training to rural banks and credit unions. This led to better financial performance on the part of individual microfinance institutions and enhanced the quality of products and services offered to their clientele, including low-income and poor clients.



**Selling stand of a soap-maker group. Many of the enterprises supported by the IFAD-funded Rural Enterprises Project (Phase II) in Ghana are agribusiness such as soap making and palm oil and gari processing, which use agricultural raw materials.**

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IFAD-supported interventions have generally benefited smallholders by promoting agricultural technology transfer. This was the case for roots and tubers, for which the disease-resistant planting material that was disseminated helped to generate substantial yield increases. Some progress has been made in strengthening a number of weak links in the existing value chain for roots and tubers, such as crop processing and marketing. However, this CPE finds that it has proved to be far more difficult to establish new value chains, as in the case of vegetables or maize. This entailed many more risks, which were not properly addressed.

Compared with projects funded by other international financial institutions in the country, start-up phase of IFAD-supported projects has taken much longer. Also, these projects tend to run into implementation hiccoughs and actual implementation costs are

significantly higher than those foreseen at design. This CPE identifies two root causes. First, over-optimistic assumptions with regard to the capacity of national partner organizations. Second, absence of an IFAD country presence until 2010. When problems arose during implementation, the follow-up mechanism through cooperating institutions took far too long to provide a feasible solution.

During the period covered by this CPE, IFAD prepared two country strategic opportunity programmes in 1998 and 2006. The 1998 one targeted the regions of North Ghana. The 2006 one instead, aligned with the Government's strategy, emphasised sub-sectoral interventions with country-wide coverage. This shift had positive consequences such as the increased attention to institutional development and policy dialogue. At the same time, it ended up reducing the emphasis on geographical targeting, particularly in the Upper West, the region with the highest prevalence of poverty, practically unchanged in 20 years. In addition, while the 2006 COSOP emphasized value chain development, an important and well-deserved choice, it did not sufficiently elaborate on the likely constraints, such as the limited familiarity and experience of project staff with private sector business practices (and to some extent the limited skills of emerging local entrepreneurs) and the need to scout for private agribusiness development specialists in the region.



Modern cassava processing equipment.

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## GHANA AT A GLANCE

Population: **25.0 million (mid 2011)**

Population growth: **2.6% (2010)**

GDP growth: **6.5% (2005-2010) in real terms**

Population living in poverty according to national poverty line: **28.5% (2005/06)**

Agriculture share of GDP: **30% (2010)**

Life expectancy at birth: **63 (2009)**

Human development index: **0.541 (2010)**; Ranking: **135**

IFAD lending since 1980: **US\$225 million**

Sources: World Bank World Development Indicators, UNDP Human Development Report 2010, Population Reference Bureau 2001 World Population Data Sheet.

## Key recommendations

- More analytical work for the next country strategy and for future project design.** When preparing the next country strategy, IFAD should commission specific studies, action-research or "intelligence-gathering" work to support major strategic decisions and changes. At the project design level, similar work should help fill knowledge gaps and investigate areas of risk.
- Strike a balance between sectoral and geographic focus.** IFAD should continue to support sub-sectoral programmes with countrywide scope but combine them with specific interventions focusing on the North of the country, particularly the Upper West Region, and further cooperate with relevant government initiatives. IFAD and its partners should devise an intervention model suitable for the Upper West region, combining infrastructure, water management and irrigation and supporting existing value chains more suitable for the poor.
- Engage in more fruitful partnerships with the private sector.** IFAD and its partners should first review successful experiences in the Africa region with a view toward developing pro-poor value chains and engaging with private-sector operators. IFAD should also explore opportunities for collaborating with the Alliance for a Green Revolution in Africa, which, although not a private operator, is implementing an integrated programme of seed distribution, soil conservation, education and extension, and market access (encompassing value-chain activities) in Ghana, with a substantial private-sector cooperation element.

### Further information:

Republic of Ghana Country Programme Evaluation, Report No. 2433-GH, May 2012, ISBN 978-92-9072-313-4, Independent Office of Evaluation of IFAD, Via Paolo di Dono, 44, 00142, Rome, Italy. The full report, Profile and Insights are available online at [www.ifad.org/evaluation](http://www.ifad.org/evaluation); email: [evaluation@ifad.org](mailto:evaluation@ifad.org).