Independent Evaluation

GHANA

UNIDO Integrated Programme for Poverty Reduction and Competitiveness

UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO EVALUATION GROUP

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Vienna, 2008

Distr. GENERAL

OSL/EVA/R.3

24 April 2008

ACKNOWLEDGMENT

The evaluators want to acknowledge with thanks the support and information provided by numerous people at UNIDO Headquarters and in Ghana. Their contribution to this effort was invaluable.

Contents

Abbreviations

AGI	Association of Ghana Industries
ASSI	Association of Small Scale Industries
AMIS	Agricultural Machinery Industrial System
DFID	Department of International Development (United Kingdom)
ECOWAS	Economic Community of West African States
EPA	Environmental Protection Agency
ERP	Economic Recovery Programme
EU	European Union
FRI	Food Research Institute
GDP	Gross Domestic Product
GIPC	Ghana Investment Promotion Center
GNP	Gross National Product
GPRS I	Ghana Poverty Reduction Strategy
GPRS II	Ghana Growth and Poverty Reduction Strategy II
GRATIS	Ghana Regional Appropriate Technology Industrial Service
GSB	Ghana Standards Board
HIPC	Highly Indebted Poor Countries
IFAD	International Fund for Agricultural Development
IP	Integrated Programme
IRI	Industrial Research Institute
JICA	Japanese International Cooperation Agency
MC	Minerals Commission
MDGs	Millennium Development Goals
M&E	Monitoring and Evaluation
MOFEP	Ministry of Finance and Economic Planning
MOTI	Ministry of Trade and Industry
MOU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprise

NBSSI	National Board for Small Scale Industries
NGO	Non-Governmental Organization
ODA	Official Development Assistance
PSI	President's Special Initiative
REDS	Rural Enterprise Development Support
SME	Small and Medium Scale Enterprise
SPX	Subcontracting and Partnership Exchange
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organisation
UR	UNIDO Representative
WB	World Bank

Executive Summary

Objective of the Evaluation

This independent evaluation examines the activities of the Ghana Integrated Programme (IP) over the period 2004 to 2007. It has three key objectives:

- To provide an account of the performance of the programme,
- To determine lessons from the projects so far, and
- To determine how to refine the programme for the future.

The timing of the evaluation at this juncture is opportune. With the exception of two, almost all the projects under the programme are complete or nearing completion. It is therefore time to start the preparation of a new programme and thus, an evaluation of the current programme will help in drawing out lessons for the new programme. Additionally, Ghana will have elections at the beginning of next year. This evaluation can create an opportunity for dialogue with the new Government and will offer both a chance to review earlier programmes and to identify activities and projects for the next programme.

In terms of methodology, the evaluation has followed the methodology prescribed in the Terms of Reference issued by the UNIDO Evaluation Office. The evaluation was conducted at two levels: the performance of the IP at the programme level and the performance of the programme at the level of individual projects. It was undertaken in the months of November and December, 2007 and draws on the information gathered from desk reviews, stakeholders meetings, interviews and selected site visits.

Preparation of the IP

Ghana was selected as one of the countries for a UNIDO IP programme in 1998, soon after the introduction of the IP concept. The design and preparation of the first IP for Ghana was influenced by the request of the then Minister of Trade and Industry (MOTI) during his visit to Vienna in August 1998. On that occasion, specific areas for technical assistance were identified.

Later in 2000, when a new government took over after fresh elections, it expressed its wish for changes in the IP to include activities considered to be of high priority. The projects requested for inclusion were:

- The expansion of the textile/garment training centre
- Agricultural Machinery Industrial System (AMIS)
- Establishment of a Cleaner Production Center

- Trade facilitation
- Technology innovation center for capital goods
- Rural energy for productive use in off-grid villages

In 2003, on the occasion of the new Minister's visit to Vienna, a reformulation of the IP was discussed and its components agreed. Subsequently, in 2004, the reformulated IP was approved and signed. The reformulated IP had seven components: Entrepreneurship, Technology and Investment, Technical Skills Upgrading, Quality, Environment, Industrial Policy and Energy.

Country and Industrial Context

Over the past decade Ghana has achieved good progress in strengthening its national economy and improving the well being of its people primarily because of a change in policy direction from a state controlled to a market driven economy. Poverty levels dropped from 52% in 1992 to 28.5% in 2005. Economic growth averaged 4.5% from 1983 through 2000, and accelerated to 5.6% in 2004 and 6.2% in 2006.

However, despite this progress the performance of the manufacturing sub-sector was relatively weak. Manufacturing growth, which was negative in the early 1990s recovered to achieve record growth rates of 4.1 and 4.6 percent in 1999 and 2004 respectively but is expected to move to negative figures in 2007 because of the energy crisis and imports of cheap products. The micro, small and medium enterprises (MSME) sector which represents around 30% of the workforce contributes only around 6 per cent of GDP and continues to face several main challenges: lack of management capacity, access to finances, access to skilled labor and markets, and competition from cheap imported products.

On the other hand, the mining sector dominated by gold production, which accounts for about 6 percent of GDP, has benefited significantly from economic and structural reforms implemented since 1983. The mining sub-sector recorded a growth rate of 4.5 percent in 2004, compared to a negative 1.6 percent in 2001. In 2007, the mining sector is expected to record a 30% growth rate due to the opening of new gold and bauxite mines.

Main Findings

Programme addressed expressed priorities of the Government

All seven of the IP programme components are in keeping with Government priorities. The Government considers the development of the MSME sector to be imperative to realizing its growth and poverty reduction goals. Following Government priorities, the main objective of the programme was "To achieve competitiveness of the manufacturing sector

based on MSMEs as the engine of growth with due attention to environmental and energy efficiency".

Programme design and formulation leaves much room for improvement

Overall the programme was spread over many sectors with little or no complimentarity and presented a challenge in attaining the depth and concentration necessary for realizing substantive, replicable and sustainable development results. The programme did not factor in specific activities to make community based micro projects replicable with sustainable long term impacts. The Rural Enterprise Development Support (REDS) project, for example, contains activities that support a combination of micro projects which need to be scaled-up at the national level in order to have a significant and wider impact. However, sustainability and replication issues were not sufficiently addressed in the design of these support activities.

Further more, the design process did not emphasize the compilation of baseline data. Two examples that clearly stand out are that of the Mercury and sub-contracting project. While the mercury project clearly demonstrated the need to take action to reduce the health hazards of mercury, by educating miners and transferring technology, it failed to recognize the illegal and migrant nature of artisanal miners in the area. Similarly, the sub-contracting project did not assess local conditions at the project design stage. The activities undertaken to promote sub-contracting did not take into consideration the state of SMEs in Ghana.

Conspicuous absence of Guidelines for Monitoring and Evaluation Mechanism

There were no specific guidelines for programme and project level monitoring, supervision and evaluation with specific references to indicators that address efficiency and effectiveness of programme activities. Ideally programme design should ensure that programmes are evaluable and that tracking of development outcomes and leading indicators be carried out jointly with the Government. Process indicators for key principles such as ownership and partnership should have also been monitored. This has not been done. Self evaluations existed only for parts of the IP and in general did not contain relevant information. Resolving these issues will pose important challenges that may require substantive changes in the manner UNIDO projects and programmes are formulated and in the staff incentives relating to their preparation.

Programme Implementation Arrangements could have benefited from stronger coordination and continuity of leadership

Coordination of programme activities at the national level, in more recent times, was poor and the fact that the steering committee was never put in place did not help. The programme also did not benefit from technical committees envisaged in the IP document. Effective leadership and coordination from Vienna was not apparent. The UNIDO Representative (UR) is formally the team leader and principal figure for the programme. In practice however all the major decisions were made by the different backstopping officers and the UR did not have authority to make project related decisions. In addition to the lack of effective leadership other shortcomings observed were the delay in replacing the UR, about a one year delay during a critical implementation phase of the IP, and the turnover of back-stopping officers and the institutional memory that was lost as a result of poor hand-over arrangements. The evaluation team has observed that some of the projects have tail-end activities that require follow up action. Neither the head office nor the field offices were aware of these unattended activities.

Project management structures like REDS, Sorghum and the Refugee Project have relied heavily on project coordinators/consultants recruited under relatively highly paid UN contracts. There is a risk that the practice of putting in place project implementation structures – parallel with Government structures - would undermine sustainable national capacity.

Fund Raising Strategy not properly articulated

Resource mobilization is an integral part of UNIDO's partnership building strategy. The evaluation team did not see evidence of a systematic fund raising strategy and or tripartite effort that involved the Head Office, the Field Office and most importantly the Government of Ghana. Fund raising activities for the Ghana IP were left mostly to backstopping officers. Three major components were significantly under funded.

Assessment of Individual Components – Mixed Picture

Given the problems of programme design, shortage of funds and the spread of projects across sectors one can not expect high impact results. Nevertheless, the evaluation team's conclusion is that, while the picture is mixed, there have been important contributions from some of the projects.

- Notable contributions include that of REDS through its various support activities to targeted women entrepreneurs at the community and village levels. The project was able to reach 37 production groups in three regions with 1063 members. However, to have significant impacts at the national level, the activities of REDS have to be

sustained by national counterparts and be substantially scaled up throughout the country.

- On the policy front, the strategic studies on Industrial Competitiveness and MSME policy made contributions in terms of awareness building and broadening policy dialogue. The industrial census study was a major contributor of much needed statistical data of the sector. MOTI is the principal user of the census.

- The IP also supported skills development through its textile garment centre project where training is being given on a continuous basis.

On the other hand, there were some less successful interventions that have not led to significant results:

- Investment promotion was supported through investment forums and the UNIDO delegates programme. However, the objectives and success indicators of the investment promotion component did not match the type, quality and size of activities. The activities were too limited in scope and quality and the objectives lofty and overly ambitious.

- The Mercury Abatement project created awareness of mercury health hazards to artisanal miners and the general population at large but the recommendations that came out of it were not implemented because of the illegal and migratory nature of artisanal miners.

- The cleaner production project was not able to achieve its objective because of funding problems.

- Similarly the bamboo and the Agricultural Machinery Industrial System (AMIS) projects did not complete planned activities because of funding problems.

- The sub-contracting project had little to show by way of results.

Assessment of the Programme — broadly in line with Government priorities — limited adherence to IP principles and poor evaluability

Two broad conclusions can be drawn from the team's assessment of the programme. The first is that there is no evidence to suggest that the concept of integrated programmes and the underlying key principles have been adhered to. There is very little complimentarity between elements of the programme and limited coherence with external programmes. For example while the orientation of the REDS project towards grass root development activities was appropriate, there is no clear linkage with other components of the IP such as Investment Promotion or other programmes implemented by the Government or donor

agencies. AMIS was supposed to provide linkages with the micro projects of REDS. Due to lack of funds, activities planned under AMIS could not be undertaken.

The second conclusion is that, even though programme components were relevant and consistent with Government priorities and objectives, it was not possible to demonstrate their effectiveness partly because of the absence of evaluative evidence but also due to the lack of attention given to sustainability and ownership of projects. For most interventions, very little effort was directed to exit and replication strategies to minimize dependency on external agencies and promote ownership and sustainability.

Recommendations

Recommendations to UNIDO

The following recommendations are presented to assist UNIDO in aligning itself with current priorities of the government and in ensuring the efficient and effective delivery of its services:

Assist the Government of Ghana in completing the following activities:

- REDS project: Undertaking an in-depth evaluation of activities for replication in other districts – might mean providing technical assistance for the evaluation.

- Sorghum Malt: Completing testing of sorghum varieties might require the deferral of project closure.

- Mercury Abatement Projects: Facilitating the completion of testing activities at the Nuguchi Institute will require training on testing equipment supplied under the project.

- Energy: Monitoring counterpart commitment and continuing to be a partner in the process of scaling-up the project could be undertaken by field office.

Undertake a training needs assessment for the refugee project.

The Refugee project intends to use the REDS model for the two camps. As the target groups of the two projects are different, the evaluation team recommends that a training needs assessment to the new target group be undertaken before applying the REDS model to the Refugee Project.

Invest sufficient time in the preparation of the next programme.

The preparation of the next programme should reflect the Ghanaian situation and be grounded in knowledge of the industrial sector. Programme preparation should be undertaken by experts who have deep knowledge of the country and who can effectively network with the donor community.

Given the lack of coherence of the current programme, as a result of widely dispersed projects across sectors, the evaluation team recommends narrowing the focus of the next programme and adopting a judicious mix of micro and macro-level interventions that draw on UNIDO's comparative advantage. Private sector development will be a key factor in the fight against poverty in Ghana, especially in the rural areas. Further analysis and additional strategies for rural industrialization are needed to meet Ghana's development goal. Another main challenge is the efficient and sustainable use of Ghana's natural resources such as recently discovered petroleum reserves, minerals, forestry and fisheries.

Prepare a fund raising strategy for the next programme.

The availability of funds is the major driver that shapes the type and size of UNIDO projects/programmes. This being the case, it is very important that fund raising activities get the attention they deserve in the planning and strategizing of resource mobilization for the next programme. The evaluation team has observed a lack of fund raising strategy properly articulated and executed in partnership with the Government. In future, we recommend that a fund raising strategy and plan be prepared at the programme design stage and that the plan be jointly executed with the Government.

Recommendations to the Government

Complete tail-end activities of the IP.

Two projects, Sorghum and Mercury, will have tail-end activities remaining at the time of project closing. We recommend that the Government together with UNIDO make sure that these activities be completed to make way for project outputs and outcomes.

Prepare an in-depth post evaluation of the REDS project.

The evaluation team recommends that an in-depth evaluation be undertaken of the activities of REDS to help draw lessons from the project and design a replication strategy for similar activities in other districts.

Integrate activities of the Textile Garment Centre with similar government sponsored activities.

The activities of the centre need to be integrated with a similar Government sponsored activity currently being operated under the PSI programme.

Promote investment on a sorghum malt plant in Ghana.

Once the tests on the different sorghum varieties are completed, there is a need to assess the test results and undertake investment promotion activities for a sorghum malt plant.

Complete the civil works of the mini-hydro power project.

The Government should respect its commitment to complete the civil works of the mini-hydro power project by mid-2008.

In future, ensure monitoring and evaluation is undertaken.

The Government of Ghana through the National Steering Committee should monitor and evaluate the results of programme activities, outputs and outcomes periodically and take necessary action where such outputs or outcomes fall short of expectations.

Be more involved in fund raising.

Three major projects were substantially under implemented due to lack of resources. The question of resource mobilization should not be left to UNIDO. In future, the Government should actively be involved in resource mobilization efforts.

Form an expert group to formulate the next programme.

The evaluation team recommends that the Government form an expert group that would, jointly with UNIDO experts, formulate the next programme.

Lessons Learned of Wider Applicability within UNIDO

UNIDO's role should be catalytic and not a substitute for government or local efforts.

Direct delivery of resources and too strong a presence of UNIDO in micro-level projects without substantive local commitment can create the impression that UNIDO is acting as a substitute for Government. If UNIDO is to work successfully, projects and programmes need clear exit strategies and direct links to Government structures and broader policy goals in order to generate long term sustainable results. Unless this approach is taken, the support to micro projects will not be sustainable once UNIDO withdraws. This will certainly be the case where the issue of ownership, scaling up, replication and exit strategies were not sufficiently incorporated at the design stage of programme.

Internalization of M&E concepts in UNIDO's programmes.

In terms of project execution, improvements are needed in the following areas: the level of evaluability in project design; mandatory supervision reports that track pre-determined indicators of efficiency and effectiveness, and mandatory project completion reports which focus on results attained. All these should be formally incorporated in a guideline in the form of an M&E tool kit.

IP Coordination and Management.

It would be difficult to make a generalized recommendation on how IPs should be managed on the basis of one IP evaluation. But the need for further reflection and guidance is clear. There are three options available. The first, and one that is preferred on the face of it, is full empowerment of the field office. For this arrangement to work, the UR should be a hands-on proactive manager who would rely on head office for technical support only and the capacity of the field office should be strengthened by at least two experienced national coordinators. The second option is for the UR to play the role of a facilitator, with all project related decisions, technical as well as of a general management nature to be made by backstopping officers. However, this would enforce the present perception of UNIDO as bureaucratic and slow. The third option is in between the two. For the third option to work the UR should have a broad knowledge and an above average energy level to work well with back-stopping officers and field project coordinators.

Turnover of backstopping officers.

It is recommended that maximum effort be made to minimize the frequency of changes in backstopping officers. When it is necessary to change, there must be a formal mandatory

hand-over report prepared by the departing officer and distributed to all concerned. The hand-over note should be detailed enough to guide and inform new backstopping officers and the field office on issues that require follow-up.

Quality Matrix

	Identification	Formulation	Implementation	Follow-up
Policy Relevance	There were efforts to align IP objectives with Government Policies and Strategies.	The same level of effort continued, in the formulation stage, to align IP objectives with that of Government.	In general no systematic effort to measure progress including the degree of alignment of IP objectives.	Future projects should identify indicators to measure the extent of alignment of IP objectives.
Counterpart Ownership	High level consultations with Government undertaken.	The programming mission undertook a series of meetings with Government counterpart agencies.	There was poor coordination and communication between all parties involved in the implementation which reduced the level of ownership of counterpart organizations.	In future, institutional assessment of counter part organizations and beneficiaries at the design stage recommended. Efficient communication and clear delegation of responsibilities should be made clear to all stakeholders.
Sustainability of the Intervention	Sustainability of interventions was not used as a criterion during the identification of activities in the IP.	The need to properly monitor the costs and benefits of projects in particular micro projects not foreseen at the IP formulations stage.	Replicability and sustainability of micro projects not assessed.	Future IPs must require that micro-level or pilot activities have replication (sustainability) strategies.
Reaching Target Groups	No evidence of consultation with target groups.	No evidence of consultations with and influence on the design by target groups.	There is evidence that consultation with and involvement of target groups occurred at implementation but their roles and responsibilities not made clear.	There is a need to undertake in-depth evaluations of micro projects in close cooperation with target groups.
External Coordination	The IP conforms to UNDAF.	Need was recognized by the IP document	No joint activity – no evidence of attempt to create synergy with other donor activities	More effort needed to forge strategic partnership with donors by reviewing critically existing partnership strategies and guidelines.
IP Integration	The IP concept not clearly incorporated in the design of	Inter-component integration was weak.	The coordination and integration of the IP components during	A better knowledge of the industrial sector, its constraints

	the programmes.		implementation was not evident.	and comparative advantages would facilitate the identification of complementary activities that are 'mutually supportive'.
Results Based Management	The objectives established were too ambitious and the targets set not realistic even if full funding had been made available.	No base line information and, no realistic and measurable performance indicators.	Some tail-end activities remaining for some components.	There might be a need at the corporate level to review and refocus UNIDO's monitoring and evaluation system towards a reporting system that would help track outcomes.
Funds Mobilization	A Fund Mobilization strategy was not properly articulated.		Two major components were significantly under-funded.	Design of FM strategies for IP needed. Intensification of efforts to forge strategic partnership with donors required. Clarification of roles and responsibilities in FM between UNIDO and stakeholders needed.
UNIDO Corporate Strategy	The IP and its components are in line with UNIDO Corporate Strategy. There was some room for improvement in the balance between micro- and macro-level activities that would draw on the comparative advantage of UNIDO.		The responsibility and modality for scaling up micro projects activities was not made clear in the IP nor was it discussed at any time during the implementation phase with national counterparts and beneficiary target groups.	UNIDO should focus more on its catalytic role with a priority to upstream policy support. UNIDO should take measures to decentralize and coordinate more effectively the implementation of IPs.
Innovation and Lessons Learned	Focus on the agro-industry sub sector and value addition has enhanced the relevance of the programme.	The process of programme formulation should in future include consultation with target groups and make extensive clarification on roles and responsibilities.	Lack of strong leadership and coordination at the country and UNIDO levels have weakened the ownership and efficiency of implementations.	The Government of Ghana should share an equal if not greater burden of responsibility in resource mobilization efforts

1 Introduction

1.1 Objective

This evaluation is intended to provide an overall assessment of key development results achieved through the Ghana IP. It seeks to identify lessons that can guide current and future UNIDO programmes and recommends actions to enhance the development effectiveness at the country level. It has three key objectives:

- To provide an account of the performance of the programme,
- To determine lessons from the projects so far, and
- To determine how to refine the programme forward.

1.2 Rationale for the Evaluation

The evaluation of the Ghana IP at this juncture is significant for various reasons. First, the timing is opportune. With the exception of two, almost all the projects under the programme are complete or nearing completion. It is now time to start the preparation of a new programme and an evaluation of the current programme will help draw lessons for the new programme. Second, early next year, the present Ghanaian Government will end its second term. There will be new elections. This evaluation will create an opportunity for dialogue with the Government and will offer both a chance to review earlier programmes and to identify activities and projects for the next programme. Third, although the industrial sector has been growing in the recent past, the sector remains relatively small and dominated by firms with low productivity. The development of an industrial sector capable of competing in the global economy will require among other things an active state role to remove impediments and foster development of the domestic private sector. UNIDO can play an important role in this effort through a careful review and selection of activities that are efficiently executed, are of high strategic value and effective on the ground.

1.3 Scope of the Evaluation

The scope of the evaluation is outlined in the Terms of Reference (See Annex 1). It covers the Ghana IP portfolio active during the period 2004-07 but also refers back to Phase I (1999-2003) where it is relevant. The evaluation includes:

- An outline of the key features of context within which the Ghana IP has been designed and implemented,

- An assessment of the design, management and coordination of the programme including the resource mobilization efforts,

- An assessment of the performance of individual projects, and

- An assessment of the performance of IP as a programme and its degree of integration internally and externally.

It attempts to answer key evaluation questions:

- Do the needs that gave rise to the programme still exist? Have they changed or are there new needs that should be addressed? In other words how relevant it has been, and

- To what extent has the programme achieved its immediate objective? In other words how effective it has been towards meeting its objective,

- Do the expected projects/programme results continue to justify the costs incurred? In other words how efficient it has been, and

- Do conditions exist to ensure that the project/programme results have lasting effects after the termination of the project? In other words the question of impact/sustainability.

1.4 Methodology

In terms of methodology, the evaluation has followed the terms of reference issued by the UNIDO Evaluation Office. The evaluation was conducted at two levels: the performance of the IP at the programme level and the performance of the programme at the level of individual projects. It draws on information gathered from desk research, interviews, and selected site visits and stakeholders meetings.

The evaluation was undertaken in the months of November and December, 2007. The programme of interviews and field visits was facilitated by the Evaluation office and the field staff. The field mission was conducted over a period of two weeks. A list of the persons met and organizations visited in Ghana is given in Annex II.

A wrap-up meeting was undertaken in the conference room of MOTI. The meeting was chaired by the Chief Director of MOTI and participants included the staff of MOTI, national project coordinators and UNIDO field office staff. The meeting afforded an opportunity to exchange views on the preliminary findings of the team and clarify matters arising from the presentations.

The evaluation team consisted of Getinet W. Giorgis, independent international consultant and team leader, Johannes Debinger (UNIDO Evaluation Office), and Robert D Osei, independent national consultant.

There were constraints faced by the evaluation team which can be grouped into three. First, was the scarcity of evaluative evidence. Most of the projects did not have completion or self-evaluation reports and had no systematic results monitoring and evaluation system in place. Second, was the lack of availability, for interviews, of UNIDO officers who played key roles during crucial implementation periods. The majority was either transferred, on mission or had left UNIDO. Hand-over reports were not readily available at the time of the evaluation. Third, the evaluation team was able to undertake only a few beneficiary interviews (e.g. for REDS project only 2 out of 34 women's groups assisted by the project, for the investors forum only one participant out of 42) due to time constraints. This has severely limited the feedback from key beneficiaries. The evaluation team was, however, careful in drawing out conclusions on issues where the evaluative evidence given by consultants or counterpart agencies could not be independently validated.

1.5 Structure of the Report

The report is structured as follows. Following this section the context under which the Ghana IP has been implemented is discussed. The aim of the section is to understand the country, industry and UNIDO context under which the Ghana IP has been designed and implemented. Section 3 assesses the programme design and its implementation arrangements including the fund mobilization effort and highlights key findings. Section 4 reviews the performance of individual projects using the standard evaluation criteria of relevance, efficiency, effectiveness and sustainability. Section 5 presents an assessment of the performance of the IP as a programme. The final section (6) draws recommendations from the various sections and summarizes the major lessons drawn.

2

The Ghana Integrated Programme in Context

2.1 Country and Industrial Sector

Ghana: one of the best performers in sub-Saharan Africa

Ghana is situated in West Africa bordering Cote d'Ivoire, Togo and Burkina Faso. It is the third largest member of the Economic Community of West Africa (ECOWAS). At independence, the Ghanaian economy was among the most vibrant in Africa. Up until the 1980's Ghana experienced poor or declining growth in GDP. This has been attributed to policy shortcomings, weak international prices for cocoa and gold, a rise in oil prices and recurrent drought. The Economic Recovery Programme (ERP) implemented in two phases between 1983-86 was able to reverse the economic decline. The period 1999-2000 saw another crisis due to the decline in international prices of gold and cocoa. Strong stabilization measures introduced in 2001and favorable international prices of cocoa and gold led to an improvement in growth rates. Debt relief under the highly indebted Poor Countries (HIPC) initiative also helped in improving the fiscal position. Growth of GDP increased progressively from 3.7% to 5.9 and 6.3% in 2000, 2005 and 2007 respectively. According to a recent report released by the Ghana Statistical Service, poverty indicators are showing a remarkable improvement down to 28% in 2006, from 52% in 1992.

Table 1: Selected Economic Indicators 2000-2005

	Real GDP Growth	Export Growth Index (2000=100)	Import Growth Index (2000=100)
2000	3.7	100	100
2001	4.2	96	99
2002	4.5	106	98
2003	5.2	128	108
2004	5.8	144	149
2005 estimate	5.9	145	185
2006 estimate	6.3	n.a.	n.a.

* Source: Bank of Ghana, World Bank and IMF

Despite robust economic growth, structure of the economy unchanged

Agriculture, the mainstay of the economy and leading source of employment, remains dominated by small-holder farming while manufacturing has not diversified much since the 1980s. There is recognition that the inefficient use of natural resources and related environment health issues require action to introduce sustainable natural resource management practices.

The performance of the manufacturing sector relatively weak

The industrial sector accounted for close to 28 percent of GDP in 2004 with its growth rate having declined from 5.9 percent in 1999, to 4.6 percent in 2004. Manufacturing growth, which was negative in the early 1990s recovered to record growth rates of 4.1 and 4.6 percent in 1999 and 2004 respectively. **In 2007 however, because of the energy crisis and imports of cheap products, manufacturing is expected to have a negative growth rate.** The mining sector, on the other hand, dominated by gold production, which accounts for about 6 percent of GDP, has reaped some benefits from economic and structural reforms implemented since 1983. The mining sub-sector recorded a growth rate of 4.5 percent in 2004, compared to a negative 1.6 percent in 2001. In 2007 the mining sector is expected to record a 30% growth rate due to the opening of new gold and bauxite mines. The electricity and water sub-sector recorded a growth rate of 3.7 percent in 2004. Ghana is still heavily reliant on imported energy inputs. In 2004, the total energy needs of 6.8 million tons oil equivalent were met by imported petroleum (25 percent) and electricity (12 percent). The sector is expected to have a negative growth rate in 2007. **Recent discovery of oil in commercial quantities has created high expectations.**

Table 2: Growth in Industry

Activity	*2005*	*2006*	*2007 target*	*2007 estimate*
Industry	7.7	9.5	7.7	7.4
Mining and quarrying	6.3	13.3	6.0	30.0
Manufacturing	3.0	4.2	5.5	-2.3
Electricity and Water	12.4	24.2	10	-15
Construction	10.0	8.2	10	11

* Source: Government of Ghana, 2008 Budget Statement

MSME sector contributes only 6% to the GDP

The MSME sector represents around 30% of the work force and only 6% of the GDP. The government realizes the importance of this sector for meeting the growth and poverty reduction targets of Ghana. It is in the process of drafting an MSME policy and is

implementing a USD 45 million support programme with World Bank financing. One of the sub-components of the Ghana IP was the preparation of an MSME policy.

GPRS II gives importance to modernization of agriculture and linkages to industry

Modernization of agriculture and linkages to industry are seen as central to the much needed changes in the structure of the economy to diversify exports, increase productivity and value addition.

GPRS II also places private sector-led development at the forefront to achieve more broadly based growth

The Government and its development partners have formed a private sector development group to allow joint policy dialogue and alignment with government strategy. Currently 12 out of 20 development partners have signed an MOU and have either joined a pooled fund or aligned their project support closely with the strategy and work plan for private sector development.[1]

The current government's vision of the 'Golden Age of Business' emphasizes public-private partnership

The President's Special Initiative (PSI) was launched to promote a series of public-private sector partnership in key sectors. The initiatives began by targeting four areas for support: garments and textiles, cassava starch, salt and palm oil.

To translate its vision of a 'Golden Age of Business' the government also created a new Ministry of Private Sector Development in 2001 which was subsequently merged with the Ministry of Trade and Industry in 2006.

Ghana has made steady progress on the political front

This progress began in the early 1990s with liberalization of policies and political institutions. There were three multi-party elections during the period 1993-2003. Most observers found the last two general elections competitive and clean.

Ghana: the first sub-Saharan country after South Africa to access the international capital market

In September this year Ghana was able to raise for the first time USD 750 million from the international market. Buyers were diverse and were a confirmation of the market's confidence on the prospects of Ghana.

[1] Source: Ghana Joint Assistance Strategy, February, 2007

2.2 UNIDO as a Partner for Ghana's Development

Africa the primary regional focus for UNIDO

Africa accounts for 27% of UNIDO technical cooperation with 21 IPs/CSFs under implementation at an estimated budget of USD 191.4 million. The Ghana IP is one of the ten IPs with an ongoing second phase successor programme. According to the 2006 UNIDO Annual Report total project approvals for Africa was USD 29 million out of a total of USD 104 million approvals.

UNIDO in Ghana during the period 1993-1999

In 1993, UNIDO established a country office in Ghana and provided support through many stand alone interventions ranging from institutional support, SME support activities, a study of the fishing industry and a sorghum malt pilot plant. In 1998 UNIDO started to move from projects to 'Integrated Programmes' as the preferred modality for technical cooperation. Ghana was among the first countries where such a programme was introduced.

Over the years UNIDO's thematic priorities have focused on three themes:

- Poverty Reduction through Productive Activities – support to micro, small and medium scale enterprises and rural and agro-industrial activities;
- Trade Capacity Building – capacity building in standards and quality measurements through accreditation and certification;
- Energy and environment – activities related to the implementation of multilateral environment agreements, promotion of energy efficiency and sustainable production activities.

The UNIDO programmes in Ghana have consistently focused on the above three themes. However, there appears to be a wide spread of relatively small size activities across many sectors.

UNIDO's first IP for Ghana

Soon after the introduction of the IP concept in 1998 Ghana was selected as one of the countries for such a programme. The design and preparation of the first IP for Ghana was very much influenced by the request of the then Minister of MOTI in August 1998. He was on a visit to UNIDO headquarters in Vienna during which time the following specific areas for technical assistance were identified:

- Support to the Micro-Small-Medium Enterprises (MSMEs)
- Direct support to four manufacturing sectors; textiles, food processing, wood processing and packaging
- Industrial environment and pollution control

- Support to micro-activities in rural areas
- Support to the development of women entrepreneurs.

A joint communiqué was signed specifying potential areas of technical support. Subsequently meetings were held in January 1999 between the UNIDO-Accra office and national counterpart agencies and the details of the programme were worked out. A programming mission comprising seven staff members was fielded in April 1999. The first IP was approved and signed in 1999 and closely mirrored the priorities of the government.

Reformulation of the Ghana IP

When a new government took over later in 2000 it expressed its wish for changes in the IP to include activities considered to be of high priority. The proposed new additions to the IP included:

- The expansion of the textile/garment training centre
- Agricultural Machinery Industrial System (AMIS)
- Establishment of a Cleaner Production Center
- Trade facilitation
- Technology innovation center for capital goods
- Rural energy for productive use in off-grid villages

The reformulation of the IP was discussed and its components agreed in 2003 during the Minister of Trade and Industry's visit to Vienna. Subsequently in 2004 the reformulated IP was signed by both parties in 2004. The reformulated IP has seven components as shown below.

Table 3 a

Financial contributions to the Ghana IP[2]

Denmark	France	Austria	Japan	UNDP	UNIDO
17%	7%	5%	37%	4%	25%

Source: own calculations on basis of UNIDO Infobase

[2] The table does not take into account the recent financial contributions of SECO and the UN Trust Fund for Human Security

Table 3b Summary of the reformulated Ghana IP (II) compared with Ghana IP Phase 1

ITEM	COMPONENT/SUB-COMPONENT	PHASE I BUDGET (USD)	PHASE II BUDGET (USD)	TOTAL
1.	**ENTREPRENEURSHIP**			
1.1	RURAL ENTERPRISES DEVELOPMENT (REDS)	720,000	400,000	1,120,000
2.	**TECHNOLOGY AND INVESTMENT**			
2.1	INVESTMENT PROMOTION	622,000	370,000	992,000
2.2	TECHNOLOGY CENTER FOR CAPITAL GOODS	0	200,000	200,000
	SUB-TOTAL	622,000	570,000	1,192,000
3.	**TECHNICAL SKILLS UPGRADING**			
3.1	INDUSTRIAL DEVELOPMENT OF SORGHUM PLANT	1,369,000	0	1,369,000
3.2	DEVELOPING AGRICULTURAL MACHINERY SYSTEM	205,000	1,567,820	1,772,820
3.3	CAPACITY BUILDING FOR WOOD/BAMBOO SECTOR	118,959	158,150	297,109
3.4	CAPACITY BUILDING FOR TEXTILE SECTOR	152,458	180,000	332,458
	SUB-TOTAL	1,845,417	1,925,970	3,771,387
4.	**QUALITY**			
4.1	FOOD PROCESSING	181,251	350,000	531,251
4.2	TRADE CAPACITY BUILDING	20,000	69,000	89,000
4.3	SPX	0	130,000	130,000
	SUB-TOTAL	201,251	549,000	750,251
5.	**ENVIRONMENT**			
5.1	CLEANER PRODUCTION	190,000	200,000	390,000
5.2	MERCURY ABATEMENT	566,155	0	566,155
	SUB-TOTAL	756,155	200,000	956,155
6.	**INDUSTRIAL POLICY**			
6.1	INTEGRATED INDUSTRIAL POLICY FORUMULATION	400,896	0	400,896
6.2	MSME POLICY	701,081	0	701,081
6.3	INDUSTRIAL STATISTICS	395,890	0	395,890
6.4	GOVERNANCE	0	60,000	60,000
	SUB-TOTAL	1,497,867	60,000	1,557,867
7.	**ENERGY**			
7.1	RURAL ENERGY FOR PRODUCTIVE USE	0	390,800	390,800
	SUB-TOTAL	0	390,800	390,800
	CENTRAL BUDGET	161,065	200,000	361,065
	GRAND TOTAL	**5,803,755**	**4,295,770**	**10,099,525**

* Source: Programme Document

3

Assessment of Project Design, Implementation Arrangements and Funds Mobilization for the Reformulated IP

3.1 Programme Preparation and Design

Broad IP Objectives on reasonably analyzed problems

The objectives of the IP are very much in line with the priorities of the Government in its focus on the growth of an MSME sector that would be capable of competing in the global economy. They are based on reasonably analyzed problems. The logical framework matrix of the IP has a hierarchy of objectives with the programme level objective being 'To achieve competitiveness of the manufacturing sector based on MSMEs as the engine of growth with due attention to environmental conservation and energy efficiency.' Lower level objectives for each of the seven components were also identified. For each of the objectives at the component level a series of interventions were identified. However, specific quantifiable targets for the expected benefits were not adopted to track the real additionality of the IP's contribution.

Reformulated programme prepared by the field office

The reformulated programme was prepared by the field office in close consultation with project managers. The programme allowed the continuation of projects not completed in Phase I and the introduction of new activities requested by the Government. The major new inclusions were the two on-going biggest projects: Trade Capacity Support and Assistance to the refugees of UNHCR settlements at Bududuram and Krisan funded through United Nations Trust Fund.

Programme addressed expressed priorities of the Government

The REDS project aims to expand opportunities for enterprise creation and development by improving access of micro and small women entrepreneurs to improved skills, micro finance and ownership of productive assets. The activities under the investment and technical skills components provide technical assistance in investment promotion and skills upgrading. The quality component aims at facilitating product standards and accreditation of laboratories while the environment projects address issues of health and waste management. The industrial policy studies and census are strategic studies for MOTI. All in all, the programme addressed relevant objectives and expressed priorities of the Government.

Programme implementation arrangements used national consultants and agencies

The major projects, namely REDS, Sorghum, Refugees Resettlement Programme and Trade capacity projects have national project coordinators and the majority of consultants used for the projects were national consultants. The programme also used national agencies like Nuguichi Institute and GRATIS for specialized services. This arrangement has helped in the efficient delivery of services and the retention of know-how in the country.

Programme thinly spread with little complimentarity

The programme has been spread too thin and provided limited opportunities for integration. Almost all components have no vertical or horizontal linkages. For example the REDS project has not been linked to policy work at sector or national levels or to other components of the IP even though the potential for linkage is mentioned in the project document with no specific activity to back it. There was no follow up planned to replicate the micro projects on which so much effort and time was spent. Overall, the design of the IP presented a challenge for the attainment of the requisite depth and concentration necessary for realizing substantive, replicable and sustainable development results.

Conspicuous absence of guidelines for monitoring and evaluation mechanism

Although the project document required monitoring and evaluation of the programme, there were no specific guidelines for project/programme monitoring, supervision and evaluation with specific references to indicators that address efficiency and effectiveness of programme activities. Ideally programme design should ensure that programmes are evaluable and that tracking of development outcomes and leading indicators be carried out jointly with the Government and its partners. Process indicators for key principles such as ownership and partnership should have also been monitored. This has not been done.

Lack of good preparation in the identification and design of projects

There were some noticeable weaknesses in the level of preparation and design of projects. For example, the REDS component contains a set of support activities, in few selected districts, for a mix of micro projects. These activities have to be scaled-up at the national level in order to have a significant and wider impact. Unfortunately, there were no specific activities and outputs planned to scale up these activities. Similarly, the Mercury Pollution Project design did not address the need to formalize miners through legislation, registration and organization. While the project clearly demonstrated the need to take action to reduce the health hazards of mercury, by educating miners and transferring technology, it failed to recognize the illegal and migrant nature of artisanal miners in the area. This was later found to be a major constraint for extending assistance to artisanal miners in an organized and sustainable manner. The Sub-contracting project also showed weaknesses that can be traced back to the poor preparation and design of the project. It did not take into account the capacity limitations of SMEs in Ghana. AGI discovered this the hard way in the course of the implementation of project activities. There were serious capacity issues that constrained the promotion of sub-contracting.

3.2 Assessment of Programme Implementation Arrangements

Programme implementation arrangements as envisaged in the Programme Document are summarized in Table 4.

Table 4: Programme Management Arrangements

Mechanism for Coordinating and Monitoring as Originally Planned	Performance of the Mechanism Observations of the Evaluation Team
A National Steering Committee chaired by MOTI and comprising MEST, MOME, AGI, ASSI and UNIDO Ghana office	There was no national steering committee
UR to be the Team Leader for the implementation of the programme	Current UR believes that he has neither the capacity (resources) nor the authority to effectively provide team leadership.
Backstopping Officers in Vienna to manage project implementation	Played key roles but turnover of officers impacted proper follow up and completion of project activities
Technical Committees to be established for the delivery of component outputs	With the exception of one, there were no technical committees set up to follow project deliveries.
National Programme Coordinators for REDS and Sorghum projects	National coordinators played useful rules in managing and coordinating assigned projects
UNVs for REDS	UNVs played key roles in the implementation of REDS
National counter part agencies –	
▪ MOTI for the main component,	▪ There is one officer assigned to deal with UNIDO matters at MOTI with limited coordination capacity
▪ NBSSI for REDS project,	NBSSI was the counter part agency for REDS – sustainability and continuation of project activities is uncertain
▪ the AGI for investment promotion –sub contracting project,	▪ AGI made efforts to be an effective counter part –employed a project manager and two engineers on contract
▪ GRATIS for training and support to micro and small producers,	▪ GRATIS performed its obligation as a counter part agency
▪ GPIC for the investment promotion sub-component,	▪ GPIC also performed its obligation as counter part agency
▪ EPA for the mercury abatement project, and	▪ EPA was actively involved in the project
▪ Noguchi Institute for research and testing related to the mercury project.	▪ The institute did not complete one key laboratory test

From the above comparison it can be concluded that the implementation arrangements were not executed as planned.

Weak steering mechanism at the country level

While coordination was closest with MOTI during the earlier phases of the programme, during the long absence of a UR and also during the current UR period coordination and interaction with MOTI was rather limited. More importantly, the lack of a steering committee limited the involvement of stakeholders other than MOTI. Also, the programme did not benefit from technical committees to monitor project outputs and advise project management on the way forward.

Effective leadership and follow-up of programme activities not apparent

Coordination and effective leadership, especially in more recent times, was poor. In principle the UR was the team leader and principal figure for the programme. In practice however all the major decisions were made by the different backstopping officers and the UR has limitations in capacity and authority to make project related decisions.

Changes of back-stopping officers not helpful

In addition to the lack of effective leadership another shortcoming observed is the turnover of back-stopping officers and the institutional memory that was lost as a result of poor handover arrangements. This also contributed to the fact that some of the projects had unattended activities left that the new UR and project managers were not aware of at the time of the evaluation.

Risk that national project coordinators and project implementation structures undermining sustainable national capacity

Project management structures like REDS, Sorghum and the Refugee Project have relied heavily on project coordinators/consultants under relatively highly paid UN contracts. As they frequently mention in interviews, Government employees are acutely aware of donor-supported project management units outside the existing civil service. This may have undermined mainline public sector capacity development and demoralized low-paid civil servants. It may be useful for UNIDO to issue guidance under what circumstance project implementation arrangements should have separate structures.

3.3 Assessment of Funds Mobilization Efforts

Fund raising strategy not properly articulated

Resource mobilization is an integral part of UNIDO's partnership building strategy. The evaluation team did not see evidence of a systematic fund raising strategy and/or tripartite effort that involved the Head Office, the Field Office and most importantly the Government of Ghana. Fund raising activities for the Ghana IP were left mostly to backstopping officers and thus were done on a project-by-project basis. This is a major contradiction to the IP approach, since a truly integrated programme, with detailed

planning of all interventions, should have been funded as an integrated programme with donor(s)' full commitment to the programme objectives and principles.

Official aid to Ghana accounts for 40% or more of the national budget, more significant than foreign direct investment. Aid flow to Ghana was at its highest in 2004 at the time of the signing of the IP.

Three major components underfunded

Three major components of the IP, the Bamboo Project, AMIS and the Cleaner Production Center, were significantly under funded.

Use of seed money to promote donor funding

Six of the projects under the IP have used seed money, about $275,000. Most of the projects have used the seed money for direct project activities. The view of the evaluation team is that seed monies should, as much as possible, not be used directly for project activities. Seed monies have high returns when used for preliminary operations, such as project development, that would help promote projects/programmes and attract donor funding. An example of a good practice for use of seed money is the case of the Trade Capacity Project where a relatively small amount of seed money was used to prepare a very large project which subsequently got funding from a major donor.

4

Assessment of Individual Projects

4.1 Component 1: Entrepreneurship

Objective

The objective of this component is to improve the provision and managerial support to micro, small and medium scale enterprises particularly in rural areas for the purpose of increased competitiveness and quality of products.

Overview of Progress to Date

In Table 5 we present an assessment of the performance of the projects as against the outputs outlined in the Integrated Programme (II) document for this component.

Table 5: Outputs, Activities, and Performance of the Entrepreneurship Component

Sub-Component	Expected Outputs	Activities	Status/ Assessment	Completion Rate
Rural Enterprise Development Support (REDS) Project	Selected agro-processing enterprises (groups and/or communities) strengthened in small business management and development skills to become more competitive in local and international market	Train rural production groups in management and small business development Connect rural enterprises to markets Improve technologies used in community production groups Train Rural banks and financial institutions trained in micro finance management and equip them with skills for provision of appropriate services to their clients Arrange for certification for Rural production groups Prepare REDS guidelines, trainers manuals and impact assessment guides	37 groups predominantly women, in 3 regions received training under this programme. 12 production groups were assisted to access micro financing totalling $265,000	100%

Sub-Component	Expected Outputs	Activities	Status/ Assessment	Completion Rate
	Micro- and small processing groups enable to use improved and appropriate production technologies as well as properly handle food safety and hygiene practices to improve their quality and quantity	Improved technologies adopted by community production groups	The output of some of the beneficiaries engaged in fish processing have increased by about 4-fold with the use of the bigger and more hygienic ovens.	100%
	Better marketing potential and linkage to local, national and international markets of the products produced by rural processing groups through close collaboration with lead firms	Rural production groups connected to market through lead/exporting firms	23 production groups have been able to access the export markets and the majority of them have gained more prominence in the domestic market.	100%
	Access to credit of those assisted enterprises, groups and communities further improved and innovative financial scheme and services introduced	Rural banks and financial institutions trained in micro finance management and equipped with skills for provision of appropriate services of their clients	Rural banks find the UNIDO training very useful and have regularized it within their setup.	100%
	Clear guidelines for introducing rural enterprise development assistance prepared based on the lessons learned by REDS project including trainers manuals and impact assessment guide and disseminated to counterparts and other international and national organizations	REDS guidelines prepared together with trainers manuals and impact assessment guides	Guidelines for impact assessment were not done although some baseline information was collected and the trainers manual have been done.	80%

Assessment of Performance

Relevance

The overall objective of this component is to improve the quality and quantity of products by rural community production groups, particularly women's groups by providing various programmes on technical and entrepreneurial skill development in collaboration with local and national service providers. This project is particularly important as it provides an important way of adding value to agricultural products and consequently improving the livelihoods of the many who are engaged in agriculture and its related activities. Indeed for most micro small and medium enterprises (SMEs) in Ghana, the key constraints they face include access to finance, appropriate technology and markets. This project addresses all these constraints.

Effectiveness

Feedback from the groups interviewed suggests that the effect of this project was very positive. One of the production groups interviewed (Abuesi Fish Processing Group) won about 3 national awards. In general the groups mentioned that their businesses had improved significantly under the REDS project.

Efficiency

A total amount of US$1,413,019 was earmarked for this project. Given that almost all objectives of the project are achieved using only US$400,925 it can be said that resources were efficiently utilized. The team notes that this efficiency is driven in part by the use of the United Nations Volunteers and also the good collaboration with national organizations such as the GRATIS Foundation, selected Rural Banks, the National Board for Small Scale Industries (NBSSI), the Ghana Standards Board (GSB) and the Foods and Drugs Board (FDB).

Impact/Sustainability

Although the REDS project has been adopted for use in the refugee programme of UNIDO, at the national level, the potential impact is rather limited as replication of the model is missing. The sustainability of the projects is also not assured and depends on uptake of all the key national counterparts such as the NBSSI and the GSB.

Conclusions and Recommendations

Generally the team finds that the REDS projects have the potential to affect positively the lives of rural households. The following are therefore recommended:

- There is the need to carry out an impact assessment/evaluation to verify the effectiveness of the intervention in all groups that were assisted

- A proper needs assessment needs to be undertaken of the target group before applying the REDS model to the refugee's project.

- Proper dissemination of the results of the project needs to be undertaken and incorporated in MOTI's rural enterprises project (REPs) which has similarities to the REDS project. Replicability of REDS very much depends on the capacity of NBSSI.

4.2 Component 2: Technology and Investment

Objective

The objective of this component is to improve Ghana's investment climate by strengthening GIPC as the lead investment promotion agency through institutional capacity building and improving the technology development as well as strengthening the enabling environment for industry in terms of capacities of support institutions.

There are two key projects under this component, namely Investment Promotion and a Technology Innovation Centre for Capital Goods (TCCG).

Sub-component objectives

Sub-Component 2.1: Investment Promotion

The objective of this sub-component is to improve the investment climate of Ghana by supporting the GIPC which is the lead investment promotion agency through institutional capacity building, improvements in technology development and strengthening the enabling environment for industry.

Sub-Component 2.2: Technology Innovation Centre for Capital Goods

The objective of this sub-component is to verify the concept, mission and functions of a TCCG and lay the foundations for its establishment.

Overview of Progress to Date

In

Table 6 we present an assessment of the performance of the projects as against the outputs outlined in the Integrated Programme (II) document for this component.

Table 6: Outputs, Activities, and Performance of the Technology and Investment Component

Sub-Component	Expected Outputs	Activities	Status/ Assessment	Completion Rate
2.1 Investment Promotion	A set of recommendations to improve the legal and regulatory environment for investment	Review and assess the GIPC Act of 1994, and other relevant reports. Consult with Government, GIPC and private sector on clearance and registration process Do a needs assessment for the improvement of GIPC Train GIPC staff to effectively implement the GIPC Act Prepare a programme for publicizing the new procedures	Investor's perception survey was undertaken by the GIPC and based on the findings; officers of the GIPC now visit clients more regularly.	90%
	Organizational transformation of GIPC for more efficient implementation of investment promotion activities	Propose and finalize a new organizational structure for GIPC Publicize the organizational structure reform	GIPC is being restructured to enable it to be more sector-focused	

Sub-Component	Expected Outputs	Activities	Status/ Assessment	Completion Rate
	Capacity expansion of GIPC in investment and technology promotion strategy formulation, management and methodology	Assess the training needs of GIPC Prepare training programmes Identify and dispatch officials under the delegate programme to the ITPOs and/or AAITPC Undertake activities to promote investment from host countries to Ghana	3 senior officials from GIPC have participated in the delegates programme in Paris and Tokyo	
	Development of a comprehensive investment strategy	Formulate a comprehensive strategy for promoting Ghana as an investment site	No evidence of this is found.	
	Development and installation of investment project database/promotion monitoring and tracking software.	Develop, test, install and train staff in the use of a new software for investor promotion and tracking	Done	
	Identification, formulation and promotion of portfolio of investment project proposals	Conduct a survey of selected companies/SMEs in priority sectors Review studies on business opportunities in the priority sectors Prepare and formulate investment project profiles Screen and evaluate investment projects Prepare promotional materials for the sub-sectors and the projects to be promoted	Done	

Sub-Component	Expected Outputs	Activities	Status/ Assessment	Completion Rate
	Follow-up discussions and negotiations held and agreements finalized for joint and other partnerships	Establish project completion facility (PCF) for investment projects Facilitate project conclusions and finalization of agreements between local entrepreneurs and foreign investors for joint ventures and other forms of collaborations on investment project	No evidence of deals or negotiations undertaken with potential investors.	
	Elaboration of a strategic corporate plan for GFZB in order to consolidate organizational skills and organizational structure.	Prepare a strategic corporate plan for GFZB Review and approve strategic corporate plan	We have inadequate information to comment on this	
	Enhanced institutional capacity of GFZB with improved administrative operations, developed promotional skills and concentrated image-building activities	Prepare and implement a training programme for GFZB Implement promotion activities	Done	
	Preparatory assistance leading to the formation of a One-Stop Shop (OSS)	Analyze the promotion activities of concerned institutions Review coordination of monitoring activities with the involved state organizations such as CEPS, VAT Service, ECG, GT and GIS Prepare a strategy and action plan for OSS Conduct capacity building activities Establish a monitoring system	Done	

Sub-Component	Expected Outputs	Activities	Status/ Assessment	Completion Rate
2.2 Technology Innovation Centre for Capital Goods	Establishment and operation of a Coordination Unit	Select and appoint a National coordinator Establish an office facility for TCCG Mobilize financial resources for projects and operational phase Develop a work programme	Done Not done Not successful	80%
	Feasibility/ opportunity studies on capital goods in Ghana and the sub-region	Prepare the feasibility study	Done	
	Formation of a Steering Committee	Set up a steering committee	Done	
	Linkages between the partners in Ghana and other countries	Identify industrial and professional centers interested in partnering TCCG Develop partnership projects, agreements and networking arrangements Design and operate a network of TCCG and integrate into UNIDO exchange network	The former minister of Trade and Industry visited some of the Partners when he visited Vienna. Visit did not bring concrete results.	
	Development and operation of institutional set up and management resource of the centre	Design the institutional set up for TCCG	Done	
	National, regional and international community acknowledge with the mission, functions and activities of the centre and its roles	Develop a promotional strategy for TCCG Build up awareness among policy makers, industrialists and researchers on TCCG Mobilize public and financial support for TCCG	This is mostly done except for the mobilization of the funds to support TCCG	

Sub-Component	Expected Outputs	Activities	Status/ Assessment	Completion Rate
	Funds required for the implementation of the Pilot Activity Phase work programme secured, and means to carry forward new partnership initiatives and developments provided.	Mobilize funds for operational phase of TCCG	There is no evidence that funds have been mobilized	
	Pilot activity phase work programme defined and approved by Steering Committee	Develop a detailed work programme for pilot activity and have it approved by SC	Done, but no activity on the programme	
	Policy makers, entrepreneurs, managers and technology centre specialists from Ghana and the sub-region trained on the capital goods industry	Identify training needs of TCCG Organize training workshops and study tours	The identification of the training needs have been done but the workshops and training tours are outstanding	
	Advisory services provided to policy makers, industry and R&D institutions	Provide relevant training and other support services	Not done	
	A long term programme covering the operation phase of the TCCG developed and approved by the Steering Committee	Review results achieved over pilot phase Develop a strategy for implementing the operational phase of TCCG	Not done	

Assessment of Performance

Relevance

Sub-Component 2.1: Investment Promotion

Small and medium enterprises feature prominently in Ghana's development plan which recognizes the need, and therefore seeks to transform the basic structure of the economy. The relevance of this sub-component therefore derives from the need to promote an effective and equitable investment climate for the private sector to take advantage of.

Sub-Component 2.2: Technology Innovation Centre for Capital Goods

The capital goods sub-sector is diverse and spreads across all the regions of the country as well as all the sectors of the economy providing equipment, parts and accessories replacement and maintenance support to agro processing, transport, energy, mining, woodworking, health, construction, waste management and textile sectors within the economy. It also provides employment to a large segment of the labor force that is in the informal economy. The TCCG will therefore support this sub-sector by promoting technological advances and consequently attract investments into the capital goods industry in Ghana.

Effectiveness

Sub-Component 2.1: Investment Promotion

The capacity building programmes for the GIPC have taken many forms including the UNIDO delegates programme and other staff training programmes. In addition an investment forum has been organized and an investment perception survey undertaken. The GIPC finds that these programmes have helped the GIPC to better promote Ghana as an investment destination. In spite of the positive feedback from the GIPC, this evaluation team feels attribution is not clear. In particular it is noted that there is no clear evidence that the investment forum leads to actual investment outcomes for participating SMEs.

Sub-Component 2.2: Technology Innovation Centre for Capital Goods

A feasibility study has been undertaken on the capital goods sector in Ghana and the sub-region in order to determine the potential of the sector and related industries. Also, a strategy has been developed to provide guidelines for the establishment of TCCG.

Efficiency

Actual expenditure for this component was about US$194,564 against the allotted amount of US$195,197. The Government is satisfied with the main output of the activity, which is the study, but when matched against the fact that outcomes have not all been met, we conclude that the efficiency of this component is limited. On a scale of ‘low’, ‘medium’ and ‘high’ we will put the efficiency on a medium scale.

Impact/Sustainability

An assessment of the long term impact can be summarized as follows:

- Improving the investment climate in Ghana, particularly for the SMEs will greatly help in changing the structure of the Ghanaian economy in a favorable way. GIPC believes that the activities under the Investment Promotion sub-component have helped sensitize what needs to be done to promote the investment climate.

- The TCCG, once established, will make the capital goods sub-sector more effective in adding value to primary products in Ghana.

Conclusions and Recommendations

The relevance of this component remains high. However attribution of the component to investments is unclear. We therefore make the following recommendations:

- Participants of the investment forum should be made aware of what the platform offers them
- A proper assessment with appropriate indicators should be done to better understand how investment forums organized for SMEs can be made more effective.

4.3 Component 3: Technical Skills and Upgrading

Objectives

The objective of this component is to develop competence and capacity among local artisans, manufactures, brewers and others to produce and supply efficient and reliable products, machinery, equipment and implements to quality standards and to improve the products competitiveness on the international market.

This component has 4 sub-components, namely:

- Industrial Development of Sorghum Malt and its Utilization in the Food Industries
- Developing the Agricultural Machinery Industrial System [AMIS]
- Sectoral Support for the wood/bamboo sector
- Sectoral Support for the garment/textile sector

Sub-component Objectives

The objectives of the individual sub-components are as follows

Sub-Component 3.1: Industrial Development of Sorghum Malt and its Utilisation in the Food Industries

The objective of this sub-component is to promote the industrial valorization of sorghum by the developing sorghum malt for utilization in food industries, in particular, for brewing.

Sub-Component 3.2: Developing the Agricultural Machinery Industrial System [AMIS]

This sub-component aims at supporting the national equipment manufacturing industry through upgrading support institutions with capacities to introduce sets of equipment that are semi-standard, economically feasible and are contributing to the national objectives for agro-produce.

Sub-Component 3.3: Sectoral Support for the wood/bamboo sector

The objective of this sub-component is to undertake a plantation feasibility study and organize a workshop on sustainable bamboo plantation, management, harvesting and processing.

Sub-Component 3.4: Sectoral Support for the garment/textile sector

The objective of this sub-component is to improve the Ghanaian textile, garment and related products in terms of cost-effective production, quality and design through formal and practical technical training and management skills upgrading.

Overview of Progress to Date

In Table 7 we present an assessment of the performance of the projects as against the outputs outlined in the Integrated Programme (II) document for this component.

Table 7: Outputs, Activities, and Performance of the Technical Skills Upgrading Component

Sub-Component	Expected Outputs	Activities	Status/ Assessment	Completion Rate
3.1 Industrial Development of Sorghum Malt and its Utilization in the Food Industries	New sorghum varieties introduced and evaluated in Ghana	Collect sorghum varieties locally developed and also from outside of Ghana Test the malting characteristics of the different varieties	About 70 varieties of sorghum have been tested with about 9 of them having good potential.	95%
	Sorghum for malting and brewing pilot tests, produced in Ghana (8 tons per year)	Small scale agricultural production of the malting varieties	Mostly Done: testing is continuing for some varieties	

Sub-Component	Expected Outputs	Activities	Status/ Assessment	Completion Rate
	Operational pilot brewing facility established at FRI in Ghana	Install a brewing plant with a capacity of 1 hl per batch Install the pilot brewing plant at FRI and train FRI personnel Undertake necessary modification of building at FRI to house the brewing plant	Plant installed. There were difficulties in operating plant. The company that supplied the brewing plant is no longer in existence.	80%
	Malting and brewing technological developments and skills acquired under the Project transferred from Ghana	Transfer the technology for the production of 'white beer' to other countries in the sub-region Three months scholarship for two technicians from other countries in the sub-region on pilot malting and brewing plant operation in Ghana	Work is being done with Nigerian counterparts but beyond that there has been no technology transfer to other countries.	
	Two traditional beer processing units upgraded to be used as demonstration brewing plants and four selected groups of women trained in upgraded traditional beer production	Select two groups of women (one in Ghana and the other in Nigeria) dealing with the production of traditional beer Assist group to upgrade their skills on all aspects of brewing	Equipment for traditional brewing of pito built and some groups in Northern Ghana trained to use them.	100%
3.2 Developing the Agricultural Machinery Industrial System [AMIS]	A number of PSI-related equipment, specifically for cassava and oil palm value chains, adapted for mass production by local manufacturers, produced, distributed, and economically exploited by farmers and others.	Discuss list of equipment needs with PSI (Cassava-starch, Oil Palm, and Sorghum) Develop and/modify alternative design and produce prototypes Field test modified equipment Implement advocacy and dissemination of information on equipment exploitation and acquirement	The Cassava lifters have been developed but limited evidence of mass use	

Sub-Component	Expected Outputs	Activities	Status/ Assessment	Completion Rate
	Increased managerial, organizational, and manufacturing capacities at Suame ITTU/ TCC and GRATIS Foundation to function as centers of excellence for adaptation of agro-mechanization technologies for local production.	Procure and commission specialized equipment within GRATIS and Suame ITTU facilities Orientation and training of internal staff of Suame ITTU/TCC and GRATIS Foundation in equipment operations.	GRATIS as part of its mandate and outside the scope of this programme continues to develop new and also improve existing equipment for agro-processing	
	Increased capacities of participating associations and their privately operated workshops at both regional and district levels, to produce standard parts and components as well as standardized machines and equipment.	Identify and invite agro-metal workshop associations from the target regions and districts to participate in the project Train operators from selected regions Establish appropriate rental schemes that would regulate access to specialized machine tools at GRATIS and ITTU for commercial PSI related activities Monitor effectiveness of the scheme and correct as and when necessary.	GRATIS provides training for some of the smaller operators in building equipments such as the cassava lifters. No evidence of production of lifters in significant quantities.	70%
	A PSI / [AMIS] preference scheme implemented, including product specifications, financing and lease modalities, training programmes, certified producers, associated farmers and partner organizations, R&M service providers, etc. as well as appropriate standards setting and verification procedures to support all equipment related requirements of the PSI value chains.	Draft preference scheme detailing legal and financial implications advantages and critical factors for success Develop and implement procedures and criteria to assure compliance with established product specifications. Establish a national focal point for monitoring the AMIS implementation and assure publicity/advocacy	No evidence with respect to cassava lifters.	

Sub-Component	Expected Outputs	Activities	Status/ Assessment	Completion Rate
3.3 Sectoral Support for the wood/bamboo sector	Knowledge on plantation economic figures, management and harvesting techniques	Preparation of feasibility study and workshop on bamboo plantation management and harvesting techniques	Workshop held on 14th September 2005 with about 50 participants attending	50%
	Setup of pilot facility being able to produce semi-finished boards for furniture and floor production with an average yearly capacity of 10.000 sqm 15mm board per year	Install a pilot facility and start up training of key personnel.	Could not secure funds for this	
3.4 Sectoral Support for the garment/textile sector	Capacities of Support System for Textiles and Garments Strengthened	Train national staff as MOTI coordinator Conduct marketing study on cotton industry and to determine needs of consumer Conduct backward linkage requirement study Support GSB in establishment of technical standards Organize study tours for textile MSMEs	A national staff has been trained as trainer and manages the centre	80%
	To strengthen capacity and capabilities of the newly established Garment and Textile Training Centre for long-term sustainability	Assessment of market trends and training needs Upgrading of equipment (CAD/CAM system, textiles training tools) and training Strengthening of the management framework of the centre	CAD purchased but not installed. Other equipment is in use	

Assessment of Performance

Relevance

Sub-Component 3.1: Industrial Development of Sorghum Malt and its Utilisation in the Food Industries

Sorghum is widely grown in Ghana, particularly in the Northern part of the country and used primarily for food and to a limited extent for the brewing of a local beer (pito). Sorghum is used in industry, particularly by breweries but as an adjunct in the brewing of beer. The demand for sorghum for use as an adjunct is, however, limited. Guinness Ghana Ltd can only take up to 2,500 tons for this purpose. They can, however, use malted sorghum as a substitute for barley in the production of beer. With the appropriate malted sorghum they can potentially demand up to 10,000 tons/year. It is instructive to note that the sister company of Guinness Ghana uses 100% sorghum for two of their brands of beer. This project therefore has the potential to change the lives of many poor Ghanaian farmers who are engaged in the production of sorghum.

Sub-Component 3.2: Developing the Agricultural Machinery Industrial System [AMIS]

Agro-processing forms a central theme in Ghana's development plan aimed at accelerating growth and reducing poverty in a sustainable way. However, equipment for direct agriculture production as well as for agro-processing is either of poor quality or too expensive for the farmer or the SMEs. The AMIS sub-component is therefore very relevant in meeting some of these important challenges.

Sub-Component 3.3: Sectoral Support for the wood/bamboo sector

Bamboo grows abundantly in Ghana particularly in the Western region where the climatic conditions are favorable. The bamboo resources in the country are all grown in the wild. There has not been any attempt to systematically cultivate bamboo. This sub-component aims to undertake a feasibility study and set up a pilot facility to produce semi-finished boards for furniture from bamboo.

Sub-Component 3.4: Sectoral Support for the garment/textile sector

The textile and garment industry employs a large number of people and has a strong backward linkage with cotton growers mainly found in the Northern part of Ghana. The Africa Growth and Opportunity Act presents a rare opportunity for Ghana to develop this sector. However, the sector faces significant challenges both in terms of taking advantage of the American market (under the AGOA) and also the stiff competition that it faces within the domestic market. Therefore this project, which ultimately will improve productivity in the sector and make it more competitive, is very important.

Effectiveness

Sub-Component 3.1: Industrial Development of Sorghum Malt and its Utilisation in Food Industries

Progress of this project has been satisfactory but slow and tail-end activities still remain. Testing of the varieties is still ongoing – so far 70 varieties have been tested with 9 showing good potential. The team also notes that although some white beer has been produced at the brewing plant, the plant has had frequent breakdowns. The support for the local pito producers has been very successful.

Sub-Component 3.2: Developing the Agricultural Machinery Industrial System [AMIS]

The cassava lifter has been produced and is to be sold for about US$12 per piece. The lifter is said to have limited efficiency in the dry season. Unfortunately the starch factory is not operating at the moment and so it was not possible to ascertain whether farmers who supply cassava to the factory are using this equipment.

Sub-Component 3.3: Sectoral Support for the wood/bamboo sector

There is limited information by which to assess this project.

Sub-Component 3.4: Sectoral Support for the garment/textile sector

The centre continues to run training programmes for students and others in the industry. Over the 2006-2007 period it trained 74 people. However, the demand for its services has been hampered by the delay in installing the CAD equipment and also the free training programme being run by the PSI for industrial sewing machine operators.

Efficiency

Of the total of US$344,751 allotted for this component, US$330,269 has been spent. We therefore can say that this component has not been very efficient particularly with the limited effectiveness of the AMIS and garment/textiles sub-component.

Impact/Sustainability

The long term impact of this component is limited and can be summarized as follows:

- There is no evidence that the cassava lifters have had any impact
- The sustainability of the Garments/textile centre is constrained by the PSI initiative which tends to provide similar training at no costs to the participants
- The sustainability of the sorghum project depends to a large extent on whether the tests undertaken will attract investment in a sorghum malt plant.

Conclusions and Recommendations

We generally note that in spite of the high relevance of this component it has yet to prove its effectiveness. We therefore make the following recommendations:

- Tail-end activities need to be completed, particularly with respect to the sorghum project and also the installation of the CAD equipment for the textile/garment centre
- There is a need for stronger collaboration between the sorghum project and the West Africa Sorghum supply chain.
- There is a need for the Government to promote and attract private investment in a sorghum malt plant.
- There is a need for MOTI to integrate the garment/textile centre with its PSI programme.

4.4 Component 4: Quality

Objectives

The objective of this component is to support implementation of Ghana's trade policy through situational capacity building for trade support institutions and services.

It has three sub-components, namely:

- Improving the Competitiveness of Micro, Small and Medium Scale Food Manufacturing Companies
- Trade Capacity Building
- Establishing an Industrial Subcontracting and Partnership Exchange (SPX-G)

Sub-component Objectives

Sub-component 4.1: Improving the Competitiveness of Micro, Small and Medium Scale Food Manufacturing Companies

The objective of this sub-component is to improve the competitiveness of food processing enterprises that depend on more than 95% of domestic raw material.

Sub-component 4.2: Trade Capacity Building

This sub-components objective is to prepare Ghana's economy and its enterprises for competitiveness in global markets.

Sub-component 4.3: Establishing an Industrial Subcontracting and Partnership Exchange (SPX-G)

The objective of this component is to provide information and advisory services to industry, particularly small and medium sized enterprises and to promote partnership agreements between local subcontractors, suppliers and main contractors and buyers in national and international markets.

Overview of Progress to Date

In Table 8 we present an assessment of the performance of the projects as against the outputs outlined in the Integrated Programme (II) document for this component.

Table 8: Outputs, Activities, and Performance of the Quality Component

Sub-Component	Expected Outputs	Activities	Status/ Assessment	Completion Rate
4.1 Improving the Competitiveness of Micro, Small and Medium Scale Food Manufacturing Companies	The three food supporting institutions assisting the MSMEs in food manufacturing (the FDB, GSB & FRI) are strengthened	Assess capacities and capabilities of R&D training and support institutions to implement training programmes	Assessment completed	
	The MSMEs in food manufacturing assisted to develop and implement comprehensive food quality and safety management system based on the Hazard Analysis Critical Control Points (HACCP) principles	Select at least 10 enterprises with capacity for upgrading of technologies and introduction of clean technology principles Establish a reliable food inspection system including a national coordination and regulative framework Introduce GMPs and HACCP in 10 food processing enterprises	Capacities of R&D, training and other institutions strengthened through training of nine staff members. Capacities of selected ten pilot food manufacturing plants strengthened to comply with international food safety standards.	
	4.1.3 Consumer awareness on food safety issues increased		FDB was assisted in running a National food safety and hygiene week which is now being undertaken in different regions annually.	
4.2 Trade Capacity	Develop and implement trade	Promotion of the UNIDO TCB	TCB programme	

Building	capacity building activities in Ghana	programme to complement and be consistent with other trade related technical assistance	fully developed and funded	
4.3 Establishing an Industrial Subcontracting and Partnership Exchange (SPX-G)	Expanding the roster of subcontracting enterprises, setting-up the system for processing of technical information and linking data base using OUTSOURCING 2002	Set up a roster for subcontracting enterprises and a system for collecting and processing technical information Assistance in managing and operating the SPX including its promotional and advisory services Computerizing the roster Installing the original UNIDO's computer software OUTSOURCING 2002 and training on its use Programming the registered enterprises into the computerized database Evaluation of links between SPX computerized database and other foreign databases	Two match-making fairs have been organized using the established roster of contractors and sub-contractors.	
	Promotion of Ghana Subcontracting and Partnership Exchange (including awareness seminar, round table and studies)	Assistance in preparation and dissemination of promotional materials on SPX Training of 3 national staff to carry out activities of SPX through study tours Promotion of SPX towards the large main contractors and procuring enterprises, public and private Preparatory activities for a regional promotion campaign Organization of awareness seminar Collection, analysis and circulation of information related to match-making operations	National staff from the AGI trained to carry out SPX.	
	Organization of a reverse fair and participation to similar events		AGI participated in a fair in Turkey	

	Ghana Supply Up-Grading Programme. The "Supply Development and Upgrading Programmes" (SUPs) will provide assistance to groups of small-scale suppliers and subcontractors, in order to upgrade their technical and international buyers and main contractors	Participate in the selection of main contractors and sub-contractors Determine the complementarities between the outcome expected by the main contractors and the subcontractors products Explore and ascertain the availability of resources for joint investment Monitor subcontracting operations	This has not been possible because no matching has happened.	

Assessment of Performance

Relevance

The Government of Ghana believes that the development of the MSME sector is imperative to realizing its growth and poverty reduction goals. However, the sector continues to face serious external competition, limited access to markets, low quality of products and non-compliance with standards. The activities under this component attempt to address these concerns of the Government and are therefore relevant.

Sub-component 4.1: Improving the Competitiveness of Micro, Small and Medium Scale Food Manufacturing Companies

Much of the food processing industry in Ghana uses traditional rural technologies for simple processing and preservation of produce and beverages. The productivity is low in this industry and hygiene/safety and quality control are weak. The growth of these enterprises is therefore restricted by these factors. This project should enable most of these food processing companies to become more productive and competitive.

Sub-component 4.2: Trade Capacity Building

The Economic Partnership Agreement (EPA) will allow Ghanaian enterprises easier access to EU markets. However, for these enterprises to be able to effectively take advantage of the EU markets, they have to be competitive in their productive capacities and be able to produce according to international market or client requirements including meeting quality standards and technical regulations. This project therefore provides the support to better understand the requirements of the EU market.

Sub-component 4.3: Establishing an Industrial Subcontracting and Partnership Exchange (SPX-G)

Accessing global supply chain markets will greatly increase the competitiveness of the SME sector in Ghana. This project provides a good platform that will ensure local suppliers become part of a global supply chain.

Effectiveness

Sub-component 4.1: Improving the Competitiveness of Micro, Small and Medium Scale Food Manufacturing Companies

All activities under this sub-component have been undertaken. It has been reported to the team that the activities have resulted in improved collaboration and coordination of the three national counterpart agencies, FDB, FRI and GSB, in the area of food safety and hygiene. Some companies have benefited in training and awareness of food safety and hygiene practices. However, to have a broad impact the training and awareness of food safety and hygiene practices need to cover a wider cross section of MSMEs.

Sub-component 4.2: Trade Capacity Building

Seed money has been used effectively, which lead to a fully funded TCB programme in Ghana. With regard to the implementation of this programme it is yet too early for an assessment.

Sub-component 4.3: Establishing an Industrial Subcontracting and Partnership Exchange (SPX-G)

Although the UNIDO software was installed, staff of AGI trained in its use, and two exhibitions organized to facilitate the matchmaking, there has been no positive outcome. Part of the reason for this low effectiveness is due to the fact that the project placed little emphasis on developing the capacity of the subcontractors.

Efficiency

The total resources used for this component was US$ 138,370 against a budgeted amount of US$ 750,251. Efficient use has been made of the resources for 4.2. (TCB), where outputs were produced as planned with less resources than originally budgeted for.

Impact/Sustainability

An assessment of the impact of this component is as follows:

- Although the SPX has been ineffective, the Association of Ghana Industries is restructuring the model to include a significant training component for the subcontractors and will pilot it with one sub-sector

- For the remaining sub-components there is limited information for a meaningful assessment

Conclusions and Recommendations

The SPX project achieved little success. It could have done much better if it had been better adapted to the Ghanaian context. We therefore make the following recommendations:

- Such projects in the future should be preceded by a proper assessment of essential features of the country: in particular, the capacity needs of the MSMEs should be taken into account

- An effective monitoring and evaluation plan should be part of such projects to monitor results of the exercise.

4.5 Component 5: Environment

Objectives

This component of the IP seeks to lay the basis for a long-term Industrial development that is environmentally sustainable.

There are two sub-components under the environment component, namely:

- Cleaner Production

- Mercury Abatement

Sub-Component Objectives

Sub-component 5.1: Cleaner Production

The objective of this component is to support the adoption of cleaner, safer, energy efficient production methods.

Sub-component 5.1: Mercury Abatement

The objective of this sub-component is to build capacity to monitor and reduce mercury emissions from artisanal gold mining activities in the country.

Overview of Progress to Date

In

Table 9 we present an assessment of the performance of the projects as against the outputs outlined in the Integrated Programme (II) document.

Table 9: Outputs, Activities, and Performance of the Environment Component

Sub-Component	Expected Outputs	Activities	Status/ Assessment	Completion Rate
5.1 Cleaner Production	Ghana Cleaner Production Centre established	Creation of the centre	Center has not been established due to lack of funds but EPA is now undertaking it with own funds.	
	National management plan for the disposal of hazardous waste drawn up	Establish a steering committee Review existing information on types of hazardous industrial wastes generated Review current plans for the operation of a waste exchange for industrial wastes Prepare a 15 year strategic plan describing what, when and where RTD technology is required. Prepare recommendations for a national hazardous waste disposal policy	Not done.	

	Master Plan produced for controlling discharges of industrial waste-waters into the Chemu II Lagoon	Establish a steering committee Contact the industrial establishments discharging into the Lagoon and hold a seminar for them explaining the CP demonstration programme Choose several senior managers among these establishments to take part in the demonstration programme Undertake in-plant assessment in the chosen SM's establishments Hold a closing seminar for all establishments discharging into the lagoon to show them the results of the in-plant assessment Prepare a master plan for treating any residual wastewater to low enough levels to discharge into the lagoon Submit master plan to steering committee for review and approval	Master Plan not done but training was done for 8 participants after which each participant was assigned 3 companies to work with in implementing cleaner production. Training was done to create awareness in target companies. The exercise was to have been repeated to cover the Chemu Lagoon and the entire country eventually through the proposed Cleaner Production Center to be established with WB assistance.	
5.2 **Mercury Abatement**	Establishment of national capacity in monitoring and reducing mercury emissions from AGM	Upgrade the chemical laboratory of the University of Science and Technology/Nuguchi Memorial Institute to enable the monitoring of mercury pollution in AGM areas Assess the mercury levels in the human populations exposed in AGM sites Evaluate levels of mercury pollution along the rivers flowing through the AGM sites Undertake a study on the establishment of a mineral processing center operating under environmentally controlled and sustainable conditions for artisanal and small-scale miners Train miners in the proper use of maintenance-free retorts	Most of the activities done except for the study from Nuguchi which is not ready. Project has created awareness on the health hazards of exposure to mercury vapor.	70%

Assessment of Performance

Relevance

Sub-component 5.1: Cleaner Production

The level of industrial activity in Ghana will continue to increase, in line with the numerous government plans to increasingly add value to agriculture as well as the extractive sectors of the economy. However further industrial development has repercussions for the environment, particularly as there are few controls in the waste and pollution caused by industrial establishment and their products. Through the introduction of cleaner production practices this project will help reduce the negative impact that industrial development will have on the environment.

Sub-component 5.1: Mercury Abatement

It is estimated that about 10% of Ghana's gold comes from the artisanal mining sector. The miners use mercury metal to extract gold from the mined material and in so doing expose themselves and the environment to the mercury vapors. It is estimated that about 10 tons of mercury is released annually to the environment in this way. In view of this we can say that this project is very relevant for Ghana as artisanal gold mining will continue to be an important livelihood for a large number of Ghanaians.

Effectiveness

Sub-component 5.1: Cleaner Production

Not all the participating establishments have implemented the recommendations from the in-plant assessment. The capital outlay required for the implementation of the recommendations is quite high and so not all the establishments are able to make these investments. The situation is also not helped by the fact that the law regarding the disposal of industrial waste is not effectively enforced. Also the proposed centre which was to be established as part of the project has not been done because funding could not be obtained.

Sub-component 5.1: Mercury Abatement

Not all the activities under this project have been completed. The analysis of the results of blood and urine samples taken from the artisanal miners has still not been completed. We also observed that many of the miners who were given the mercury retorts have stopped using them. Two reasons are given for this. First, they find the use of the mercury retorts slower and therefore less productive. Second, they still have not been sufficiently convinced about the harm that they are causing to themselves and others by openly burning the mercury.

Efficiency

The total amount of resources used for this component is US$43,332 as against the planned budget of about US$53,267. Most of the planned outputs have been delivered with the notable exception of tail-end activities to strengthen the Nuguchi Institute and to popularize the use of retorts. The failure to popularize the use of retorts negatively impacts on the efficiency of the project.

Impact/Sustainability

Our assessment of the impact/sustainability of the component is as follows:

- Sixteen manufacturing establishments have benefited from an audit of their cleaner production practices. While the audit has helped sensitize the benefits of cleaner production practices the impact beyond sensitization on the sixteen plants is not clear. The Environmental Protection Council has decided to establish a cleaner production centre. This by itself is encouraging but not a direct result of the project.

- Similarly, for the mercury project, the potential impact appears to be limited and the sustainability prospects do not look too good. The sustainability problems stem from the fact that the local government authorities see supporting the project as an endorsement of the illegal gold mining.

Conclusions and Recommendations

This component has significant relevance even though it has had limited effectiveness and impact. The main conclusions are that:

- Not all activities of the Mercury Abatement project have been completed

- The illegal status of AGM activities is a constraint for the uptake of Environmentally Sound Technology (EST) and sustainability of the project

- At the enterprise level, activities to popularize cleaner production practices have not had much success.

Based on these conclusions, we make the following recommendations:

- Future activities need to take into account the social context and prerequisites for technology uptake.

- Should EPA establish the Cleaner Production Center, UNIDO should consider supporting it with technical expertise.

4.6 Component 6: Industrial Policy

Objectives

The objective of this component is to develop an Integrated Policy Framework for Industry with attention to policies for MSME development. It also aims to strengthen capacities and capabilities in the Ghana Statistical Service and Ministry of Trade's Industries and Presidential Initiative, enabling the Service and Ministry to undertake industrial census and surveys and also regularly update this data.

This component has three sub-components, namely:

- An Integrated Industrial Policy
- MSME Policy Framework
- Industrial Census (statistics)
- Governance, including corporate governance and economic management

Sub-component Objectives

The objectives of the individual sub-components can be summarized as follows:

Sub-component 6.1: An Integrated Industrial Policy

The objective of this sub-component is to strengthen the capacity of MOTI in order for it to formulate an integrated industrial development policy for Ghana.

Sub-component 6.2: MSME Policy Framework

The objective of this sub-component is to strengthen the capacity of NBSSI for the formulation of an MSME policy for Ghana.

Sub-component 6.3: Industrial Census (statistics)

The objective of this sub-component is to strengthen the capacity of the statistical service and MOTI to undertake, on a regular basis, an industrial census and survey for Ghana.

Sub-component 6.4: Governance, including corporate governance and economic management

The objective of this sub-component is to strengthen competencies in economic governance and management skills of managers in the industrial sectors.

Overview of Progress to Date

In Table 10 we present an assessment of the performance of the projects as against the outputs outlined in the Integrated Programme (II) document for this component.

Table 10: Outputs, Activities, and Performance of the Industrial Policy Component

Sub-Component	Expected Outputs	Activities	Status/ Assessment	Completion Rate
6.1 An Integrated Industrial Policy	Integrated industrial development policy formulated	Prepare draft policy document to be reviewed at a public-private sector workshop Finalize industrial policy document for endorsement by government	Background study prepared and used for the formulation of a draft policy.	70%
6.2 MSME Policy Framework	MSME policy framework elaborated	Prepare a national strategy reflecting the contribution of the MSMEs to overall socio-economic development of the country. Design policy and prepare proposals for the integration of women in industrial development. Develop a sustainable process of data and information collection on the MSME sector for the purpose of monitoring and analysis Train on the job MOTI and NBSSI staff in the design of admin procedures	Background study on MSME prepared and used for the formulation of a draft policy.	70%
6.3 Industrial Census (statistics)	Industrial statistics system and information network established	Upgrade MOTI computer and equipment and install NISP software Conduct survey Set up modalities for future regular surveys Develop homepages, interface web-pages with databases	The industrial survey was done in 2003 and the report finalized in 2006.	100%
6.4 Governance, including corporate governance and economic management	A core of high level officers/decision makers in Government and in the private sector with increased awareness in the dynamics, tools, implications	Consult with government and the private sector on the nature and scope of the programme and framework for implementation Review and assess critical issues of governance and economic management Organize consultative workshop on strengthening managerial competencies for	There is no evidence that this sub-component has been finalized. The record shows that a consultant was fielded but no reports or outputs reported.	

	of public and corporate governance.	governance and economic management. Prepare set of recommendations to improve organizational and core values in government and business		

Assessment of Performance

Relevance

Ghana's quest for accelerated growth and development rests on industry and in particular the MSMEs. However the existing institutional structures for shaping industrial policy are weak and there is a shortage of professional skills to articulate, implement and monitor policies. Information asymmetry between public institutions and private sector entities which is engendered by inadequate industrial statistics as well as industry relevant information acts as a further constraint on industrial development. The need for an institutional framework which will be responsive and accessible to industry in general is addressed by this component and therefore makes it very relevant.

Effectiveness

Sub-component 6.1: An Integrated Industrial Policy

Although the background studies have been undertaken the industrial policy document is still not ready. However the background studies did inform the preparation of Ghana's trade policy and its implementation plan (i.e. the Trade Sector Support Strategy, TSSP). MOTI expects the Industrial Policy to be ready for Government approval by June 2008. TORs for the different chapters have already been prepared.

Sub-component 6.2: MSME Policy Framework

As with sub-component 6.1, the background studies have already been done. MOTI expects the MSME Policy to be ready for Government approval by June 2008.

Sub-component 6.3: Industrial Census (statistics)

The industrial census has been carried out and the report completed and released into the public domain. The institute's capacity has been adequately built and the institute is engaged in talks with MOTI to conduct a new survey.

Sub-component 6.4: Governance, including corporate governance and economic management

There is inadequate information to assess this sub-component.

Efficiency

The total amount of resources used for this component is about US$287,949 as against a budget of US$310,874. Matched against the fact that most of the expected outputs under this component have been met or will be met satisfactorily, we can conclude that the resources have been well utilized.

Impact/Sustainability

Our assessment of the impact/sustainability of this component is as follows:

- Although the industrial and MSME policies have not been finalized, the background studies have not only been useful, but also influenced the formulation of draft policies and informed the Trade policy and the resultant TSSP. Also these sub-components are sustainable as plans to develop the industrial and MSME policies are already significantly advanced.

- The industrial census component is now being used to start generating the producer price index for Ghana. Also the data has been used to update industry contributions to the national accounts. The sustainability of this component has been promised by the Government. There are plans to undertake a follow-up survey of the industrial sector and funds are being secured.

Conclusions and Recommendations

This component is generally found to have had positive results. Based on the aforementioned, the following recommendations are made:

- There is the need for more regular updates of the industrial census and therefore predictable source of funds, so that industry can make better informed decisions,

- The updating of the information should be more timely and current to increase its usefulness for industry

4.7 Component 7: Energy

Objective

The objective of this component is to uplift communities/villagers from their present socio-economic situation with the help of Small-scale Hydro Power and other forms of hybrid renewable energy systems. This component also seeks to establish Community Development Centers powered by such decentralized energy systems in selected sites specified by MoE, which would facilitate the growth of industry, sustainable agriculture, healthcare, education, information communication facilities and the use of electricity to bring efficiency into all possible aspects of rural life.

Overview of Progress to Date

In Table 11 we present an assessment of the performance of the projects as against the outputs outlined in the Integrated Programme (II) document for this component.

Table 11: Outputs, Activities, and Performance of the Energy Component

Sub-Component	Expected Outputs	Activities	Status/ Assessment	Completion Rate
Rural Energy for Productive Use in off-grid Villages	Implementation of appropriate hybrid renewable energy power systems for each community selected for project.	Identify sites, conduct site surveys to determine head, flow and other hydrological parameters	The Tsatsadu waterfall in the Volta region was selected as the site for the demonstration project. However the civil works have still been delayed.	60%
		Prepare engineering design, layout and drawings for Dam, Channel, inlet gate and forebay, powerhouse, spillweir and other necessary fixtures	Done	
		Specifications for procurement of turbines, generators, governors and other accessories	Done	
		Prepare RFP for solar panels, analyze bids and issue purchase order	Solar not part of the Ministry's plans	
		Carry out civil works at project sites	Delayed	
	Establishing Community Development Centers at selected projects sites	Allocation of space facilities through local government authorities for community development centers.	Not part of current plan of Ministry of Energy	Not done
		Purchase equipment for the CDCs		
		Establish committees to facilitate and administer CDCs		
	Setting up of a village maintenance workshop	Allocation of space for the setting up of a	Not part of current plan	

	for repairs and maintenance of renewable energy system and CDC equipment. Provide training and capacity building in maintaining renewable energy equipment	village engineering workshop Training and capacity building for technicians at the local level	of Ministry of Energy	
	Improve awareness and technical knowledge for designing, implementing and maintaining renewable energy systems	Awareness creation workshops for government officials Training for local technicians on housekeeping and maintenance of power plant and solar PV installations. Workshops for providing entrepreneurial and organizational skills Workshops on using ICT and information dissemination effectively	Plant is yet to be installed	

Assessment of Performance

Relevance

Many villages in the rural part of Ghana do not have access to electricity, and this perpetuates a cycle of underdevelopment in these parts of the country. Some of the villages are quite far from the national grid and due to their size some of these villages are not eligible, at least in the medium term, for electricity from the national grid. However, there are many small rivers flowing through many parts of the country which could potentially serve as a source of hydro power generation. This project is very relevant in that it provides an opportunity for these villages to be served with renewable energy for home use as well as facilitate and enhance economic activity.

Effectiveness

This project has failed to achieve its main output of providing a small hydro-power plant for the pilot village in Tsatsadu as yet. One turbine has already been procured by UNIDO and is already in the country. The delay has been caused by problems with respect to the procurement process and the fact that the initial project plan failed to take into account some social and institutional constraints. The problem with the procurement process caused the delay in the civil works. Additionally, in spite of the size of the project the Environmental Protection Agency insisted that an EIA be undertaken before the project

could start. These and related problems caused the delay in undertaking the civil works which will house the turbines. The current plan by the ministry of energy is to have the civil works completed by mid-June and to use this as a pilot scheme for the plan to build many of these mini-hydro power sources across the country.

Efficiency

To the extent that almost all the planned expenditure have been used up and there is little to show for it except the turbine, we can say that the efficiency of the utilized funds is low at the time of the assessment. However when gauged against the commitment to complete the civil works by the middle of 2008, and also the fact that this project will be a very useful pilot for the 16/17 mini hydro projects that are being planned across Ghana, there is still a chance for the resources to be used efficiently.

Impact/Sustainability

Our assessment of the long-term impact of this component is summarized as follows:

- The project could have a positive impact if it can successfully be extended to other parts of the country as outlined in the GoG budget for 2008 (pg. 414).

- The potential impact could, however, be limited if the energy generation is de-linked to productive industrial use.

Conclusions and Recommendations

Our general assessment of this project is that although there has been a severe delay, it has good potential to fulfil its demonstration purpose. To that end we make the following recommendations:

- UNIDO should monitor compliance of counterpart commitment to finish civil works by mid 2008 and ensure that it provides technical support to the installation of the turbines.

- UNIDO should stay as a partner in the process of up-scaling the project in the next phase of the country programme

- At the scaling up stage, social and institutional constraints of such projects need to be given due consideration

UNIDO should further explore the possibility of linking the project with productive (agro-industrial) use.

5

Assessment of the Programme

This section examines the overall performance of UNIDO's Ghana IP during the period 2004-07. By the fourth quarter of 2007, many of UNIDO's projects rolled over from Phase I were nearing completion. The two on-going new projects have only been in operation for a few months and are very much 'work in progress'.

5.1 Evaluability of the Ghana IP

The team has observed fundamental weaknesses in the evaluability of the Ghana IP and its components for their effectiveness in addressing development problems. In this respect the problems detected can be summarized as follows:

- Definition of the objectives of projects in broad terms makes it difficult to ascertain or measure their attainment;
- Absence of efficiency and outcome indicators;
- Absence of baseline data for output and outcome indicators; and
- Absence of systematic monitoring and self-evaluation.

The IP document does not explain how the development objective is to be achieved. It did not develop an outcome framework that could be expected from the various interventions. Ordinarily, the log frame with proper indicators serves as a useful tool to capture changes that occur in the short run (outputs), medium term (outcomes) and long-term (impact)). For the Ghana IP the log frame has not fully developed the necessary sequence – beginning with inputs, moving through activities and outputs and culminating in outcomes and impacts - with indicators to achieve objectives.

5.2 Assessment of the Programme against IP Principles

Generally, country programmes of agencies serve as agency-wide, strategic planning tools as well as tools for programme management. Most require consistency – a degree of complimentarity between elements of the programme – and coherence – complementarity between programmes. The UNIDO Integrated Programme has some features of a country programme and requires the following:

- To be used as a planning and management tool,
- To be internally integrated - interrelated services at policy, institutional and enterprise levels, and
- To be externally integrated - seeks cooperation and synergy with external agencies.

Overall, no strong evidence for adherence to IP principles

Measured against these features, the Ghana IP has not performed well except in one area. During the early days of the IP it appears that the Ghana IP was used as an effective planning tool and to some extent as a management tool to coordinate project activities and steer it to changing needs. Currently however, the evaluation team has observed that the IP is not used as a planning and management tool. With respect to the degree of integration between components and projects, the team's view is that there is virtually no integration. As to the issue of external integration, the team has observed that the integration with other donors was weak while the integration with national agencies was found to be good. For the REDS project, for example, there was good collaboration and synergy with rural banks, the export promotion council, NBSSI and GBS.

In summary, the IP was of limited use as a planning tool, very poorly integrated internally and with limited external integration.

5.3 Relevance of the Programme

The relevance criterion addresses two issues: the extent to which the intended outcomes of the programme are consistent with country development priorities and the extent to which project formulation/design adopted the correct solution to the identified problem.

Very broadly the IP is consistent with the GPRS II (2006-09)

The GPRS presents its strategies in three thematic pillars: Private Sector Development, Human Resource Development and Governance and Civic Responsibility. The Ghana IP addresses private sector development principally through REDS and also through investment promotion, and assistance to artisanal miners. Human resource development issues were addressed through various in-built training programmes.

In addition, the IP has been **supportive and responsive to the President's Special Initiative** by giving technical assistance to three initiatives: the cassava project, the textile garment training centre and the study on the capital goods industry centre. The request for support to the initiatives was made in an *ad hoc* manner without UNIDO's involvement in the identification process or subsequent upstream activities. This, to a certain extent, has reduced the relevance of the interventions.

The relevance of two projects, namely the Mercury Abatement Project and the Sub-contracting project, has been substantially **affected by the inadequate preparation at the design stage**. There was no careful analysis of local priority needs at the time of project formulation/design.

5.4 Efficiency of Programme Delivery

Efficiency is a measure of how well the project used resources in achieving outcomes. It is measured by the extent to which resources have been optimally utilized. Due to the poor monitoring and evaluation data on the project activities the team was not able to review programme costs with associated benefits. However interviews with national counterparts indicate satisfaction in the performance of inputs notably national and international consultants, appropriateness of equipments delivered and on the overall delivery of technical assistance.

The team observes that the use of national consultants and national UNVs has favorably impacted on efficiency. Examples are: the use of national consultants, five in all, for the REDS project; use of UNVs for REDS and use of the expertise of GRATIS, FRI and Nuguichi Institute for training, research and laboratory testing.

In terms of timeliness of the delivery of services, the team has observed that the freezing of programme activities for several months in 2005, the turnover of UNIDO project managers and the inordinate delay of the construction of the dam for the mini hydro power project have negatively affected the efficiency of the programme delivery.

5.5 Effectiveness of the Programme

Effectiveness refers to how successful the strategy and programme activities have been contributing to the achievement of outputs and outcomes. Here again the assessment of effectiveness was hampered by the absence of an adequate logical framework of objectives and indicators, and by the poor management information base. The log frame is not complete and no attention was given to the identification of outcome indicators at component and programme levels.

Interviews with some of the main beneficiaries indicate that the strategic studies, namely the Industrial Competitiveness study, the SME policy and the industrial census, have served their purposes in informing and influencing policy issues. On the other hand, it is not clear whether the PSI support activities - textile, cassava and capital goods study - will eventually deliver outcomes at the level they were expected to.

The team has observed that the REDS project offers good potential for value addition and employment generation if replicated in other districts. It is not certain whether the support activities for micro projects will be replicated. Similarly it is not clear whether the Mercury project, originally intended to be replicated in other mining communities, can be replicated. The introduction of a legislative framework is a prerequisite for formalizing and organizing artisanal miners.

On the capacity building and investment promotion interventions, interviews with counter part agencies indicate that most have met their objectives with the exception of sub-contracting, and maybe also, the investors' forum, whose claimed outcome is suspect.

5.6 Sustainability and Ownership

Sustainability and ownership are two mutually reinforcing ingredients to successful development assistance. The extent to which the benefits generated through project interventions will continue after the project assistance very much depends on the capacity and readiness of targeted groups to take up ownership. On this, the team has observed weaknesses. First, the programme assumes that the Government and beneficiaries could ensure the financial and institutional sustainability of programme activities. There is, however, no evidence to indicate the adequacy of arrangements to ensure financial and institutional sustainability. On the contrary, the team has observed that counterpart agencies did not have the necessary resources and/or institutional capacity to sustain and scale up project activities. Second, there is lack of attention to the replication and sustainability of support to micro/pilot projects. For micro/pilot projects to be replicated there has to be a convincing evaluation that demonstrates their institutional and economic viability. At the time of the evaluation there were no plans to undertake impact studies or in-depth evaluations. Finally, the team has noted the absence of dialogue with Government on completed projects regarding their completion and the way forward for project activities.

5.7 Conclusion

From the above, two broad conclusions can be made. The first is that there is no evidence to suggest that the concept of integrated programme and the underlying key principles have been adhered to. The programme has components with very little complimentarity internally or externally. The second conclusion to be drawn is that there was inadequate attention given to monitoring and evaluation in the design and implementation of the IP. Pilot projects did not have provisions for a monitoring and evaluation mechanism that can ensure lesson learning. Very little effort was directed towards monitoring efficiency in the production of outputs, collecting information for measuring outcomes or preventing and/or mitigating risks. Self evaluations, if they exist, did not contain relevant information. Resolving these issues will pose important challenges that may require substantive changes in the manner in which UNIDO projects and programmes are formulated and in the staff incentives relating to their preparation.

6

Lessons and Recommendations

6.1 Lessons in Project Design and Formulation

It is essential to invest sufficient time in programme design and formulation.

Two broad lessons can be drawn from the analysis of project design and formulation at conception. First, some of the projects had problems in adapting to the realities of Ghana because of insufficient analysis of the contingent context in which they operate. This is especially true for the Mercury and Sub-contracting projects. In the case of the Mercury project, the informal status of artisanal miners and absence of legislation should have first been resolved to make it possible to organize them. This was found to be a major constraint for the implementation and replication of project activities. For the sub-contracting project, the capacity problems of SMEs were not factored into the design of project activities. AGI found, later at the implementation stage, that SMEs were not ready to supply products at the volume and quality required by foreign firms. Had there been a careful review of the status of SMEs, the project could have been designed differently.

The second lesson to be drawn is the need for ex-ante evaluation of institutional capacities in sustaining project activities. The practice of establishing a parallel project implementation unit by UNIDO has the risk of undermining national capacities. In the case of REDS, project activities stopped soon after UNIDO completed its activities. The counterpart agency did not have the financial and institutional capacity to internalize project activities in its normal work programme.

It is necessary to have an M&E tool kit to guide programmes.

The team has observed a fundamental design weakness of not incorporating a monitoring and evaluation system for programme activities. There was no tool kit to guide project coordinators to undertake a deliberate exercise to monitor and evaluate outputs and outcomes expressed in terms of clear and verifiable indicators. As a result, information or regular reports on progress of project executions, their efficiency (both financial and temporal), and results achieved both during execution and after execution (ex post evaluation) were hard to come by. This lesson suggests a departure in the manner projects are prepared and executed and a need for the UNIDO Evaluation Office to take a lead in the preparation of M&E guidelines and tool kits for use in UNIDO implemented projects and programmes.

UNIDO's role should be catalytic and not a substitute for Government or local efforts.

Direct delivery of resources and too strong a presence of UNIDO in micro-level projects without substantive local commitment can create the impression that UNIDO is acting as a substitute for Government. If UNIDO is to work successfully, projects and programmes need clear exit strategies and direct links to Government structures and broader policy goals in order to generate long term sustainable results. Unless this approach is taken some of the micro projects will fail once UNIDO withdraws. This has certainly been the case where the issue of ownership, scaling up, replication and exit strategies were not sufficiently incorporated at the design stage of REDS.

6.2 Lessons in Project Management and Implementation

Micro level and specifically pilot projects require in-depth evaluations at completion.

Micro level or pilot initiatives like REDS or the Mercury Project provide a judicious way of moving forward to scale up innovative practices. Before scaling up, however, the results at the pilot level have to be disseminated. This will require an in-depth evaluation, or better still an impact study, that can convincingly demonstrate the costs and benefits of scaling up. In addition, such projects should be linked to broader policy goals for alignment with Government priorities and should establish clear replication strategies in order to promote sustainability and ownership. This has not been made for REDS and Mercury projects.

Need for clear guidelines to get a firmer grip of the management of the programme.

Coordination of the programme at the national level was constrained by the absence of a steering committee. At the wrap-up meeting of the evaluation mission there was consensus that this was an omission on which immediate action should be taken.

Within UNIDO, the sharing of coordination and management responsibilities between the head office and field office has also been a constraining factor. On one hand the field office headed by the UR did not have the capacity and authority to exercise effective leadership and on the other the backstopping officers were too far from their projects to give effective leadership. This situation can further be aggravated if the UR plays a passive role.

Frequent changes of back-stopping officers and inadequate attention to hand-over notes can undermine project follow-up.

It was not easy to get current information on the status of project activities both at the head office and field office. This can be attributed partly to the change of back-stopping officers and absence of detailed hand-over notes from staff that have been transferred or have left UNIDO.

A country led Fund Raising Strategy and partnership for resource mobilization is critical for achieving results.

6.3 Recommendations to UNIDO

The following recommendations are presented to assist UNIDO in aligning itself with current priorities of the government and in ensuring the efficient and effective delivery of its services:

Invest sufficient time in the preparation of the next programme.

The preparation of the next programme should be firmly grounded on the Ghanaian realities and knowledge of the industrial sector. Programme preparation should be undertaken by experts with deep knowledge of the country and who can effectively network with the donor community.

Given the lack of coherence of the current programme as a result of widely dispersed projects across sectors the evaluation team recommends narrowing the focus and adopting a judicious mix of micro and macro-level interventions that draw on UNIDO's comparative advantage. The team notes that private sector development will be a key factor in the fight against poverty in Ghana, especially in the rural areas. Further analysis and additional strategies for rural industrialization are needed to meet Ghana's development goal. Another main challenge on which assistance might be needed is the efficient and sustainable use of Ghana's natural resources such as minerals, forestry, fisheries and petroleum reserves recently discovered.

Internalize M&E concepts in UNIDO's programmes.

In terms of project execution, improvements are needed in the following areas: the level of evaluability in project design; mandatory supervision reports that track pre-determined indicators of efficiency and effectiveness; and mandatory project completion reports which focus on results attained and sustainability issues. All these should be formally incorporated in a guideline to be issued to project officers in the form of an M&E tool kit.

Improve IP coordination and management.

It would be difficult to make a generalized recommendation on how IPs should be managed on the basis of one IP evaluation. But the need for further reflection and guidance is clear. There are three options available. The first, and one that is preferred on the face of it, is full empowerment of the field office to allow the UR play a significant leadership role. For this arrangement to work, the UR should be a hands-on proactive manager who would rely on head office for technical support only. He would, however, need at least two experienced national coordinators. The second option is for the UR to play a facilitation role only, with all project related decisions, technical as well as of a general management nature, to be made by backstopping officers. This would enforce the present perception of UNIDO as bureaucratic and slow. The third options is somewhere in between the two. For this option to work the UR should have a strong development

background with above average energy levels to work effectively with back-stopping officers and the field project coordinators.

Minimize turnover of backstopping officers.

It is recommended that maximum effort be made to minimize changes in backstopping officers. Where it is necessary to change, there must be a formal mandatory hand-over report prepared by the departing officer and distributed to all concerned. The hand-over note should be detailed enough to guide and inform new backstopping officers and the field office on issues that require follow-up.

Implement fund-raising strategy.

The availability of funds is the major driver that shapes the type and size of UNIDO projects/programmes. This being the case it is very important that fundraising activities get the attention they deserve in the planning and strategizing of resource mobilization. The evaluation team has not found evidence of a fund raising strategy properly articulated and executed in partnership with the Government. We recommend in future that a fund raising plan be agreed at the programme design stage and that the plan be jointly executed with the Government.

6.4 Recommendations to the Government of Ghana

Complete tail-end activities.

Two projects, Sorghum and Mercury, will have tail-end activities remaining at the time of project closing. We recommend that the Government together with UNIDO make sure that these activities are completed to make way for the attainment of project outputs and outcomes.

Undertake monitoring and evaluation.

The Government of Ghana, through the National Steering committee, should monitor and evaluate the results of the programme - outputs and outcomes - periodically and take necessary action where such outputs or outcomes fall short of expectations.

Be more involved in fund-raising activities.

Two major projects were substantially under implemented due to lack of resources. The question of resource mobilization should not be left to UNIDO. In future, the Government should actively be involved in resource mobilization efforts.

Form an expert group to formulate the next programme.

The team recommends that Government form an expert group that would, jointly with UNIDO experts, formulate the next programme.

Annex 1: Terms of Reference for the Independent Evaluation

INDEPENDENT EVALUATION of the UNIDO INTEGRATED PROGRAMME in GHANA (IP GHANA Phase II)

I. Background

The Integrated Programme "capacity building for growth-oriented and competitive micro, small and medium sized enterprises" (IP I) was the first UNIDO Integrated Programme in Ghana. It was formulated in 1999 and signed in 2000. Soon thereafter and in parallel to the ongoing implementation of the IP I the process of adjustment of the IP to changed circumstances began. A new Government took office in 2000 and 2002 saw the launch of the Ghana Poverty Reduction Strategy (GPRS). The process of setting new priorities for the IP led to a new document "Integrated Programme for Poverty Reduction and Competitiveness", finalized in May 2004.

Some of the currently ongoing activities are continuations of projects started under IP I, others are new initiatives. So far, the IP Ghana has not been subject to an independent evaluation. Thus, the present evaluation will focus on the ongoing activities, but will also take into account prior assistance under IP I wherever this is relevant and necessary to reach coherent conclusions and recommendations.

II. Budget Information

Current Planning Figure (incl. psc):		$4,854,220		
Current Planning Figure (excl. psc):		$4,295,770		
	Component	**Current Planning Figure**	**Total Allotment**	**Total Expenditure**
1.0.00	Entrepreneurship	$400,000	$1,413,019	$400,925
2.0.00	Technology and Investment	$570,000	$195,197	$194,564
3.0.00	Technical Skills Upgrading 1)	$1,925,970	$344,751	$330,269
4.0.00	Quality	$549,000	$2,550,576	$201,529
5.0.00	Environment	$200,000	$53,267	$43,332
6.0.00	Industrial Policy	$60,000	$310,874	$287,949
7.0.00	Energy	$390,800	$49,968	$49,518
99.0.00	General Management	$200,000	$45,784	$38,188
	Total	$4,295,770	$4,963,435	$1,546,274

1) The Current Planning Figure includes Ghana's share of project FC/RAF/03/065 (Industrial Development of Sorghum Malt and its Utilization in the Food Industries)

* Source: Programme Progress Report, May 2007

III. Purpose

The purpose of the independent evaluation of the Integrated Programme in Ghana Phase II is to enable the Government, UNIDO and donors to:

(a) Assess the outputs produced and outcomes achieved as compared to those planned and to verify prospects for development impact and sustainability.

(b) Assess the efficiency of implementation: quantity, quality, cost and timeliness of UNIDO and counterpart inputs and activities.

(c) Provide an analytical basis and recommendations for the focus and design for the possible continuation of the project in a next phase (if applicable).

(d) Draw lessons of wider application for the replication of the experience gained in this project in other projects/countries.

The evaluation is conducted in compliance with UNIDO evaluation policy.

IV. Evaluation Method and Reporting

The evaluation is conducted in compliance with UNIDO evaluation policy as an Independent mid-term Evaluation.

Independent evaluation is an activity carried out during the project cycle, which attempts to determine as systematically and objectively as possible the relevance, efficiency, achievements (outputs, outcomes and impact) and sustainability of the project. The evaluation assesses the achievements of the programme against its key objectives, as set in the project document, including re-examination of the relevance of the objectives and of the design. It also identifies factors that have facilitated or impeded the achievement of the objectives.

The evaluation will be conducted at two levels: evaluation of selected IP components and evaluation of the programme as a whole.

The evaluation will be carried out through analyses of various sources of information including desk analysis, survey data, interviews with counterparts, beneficiaries, partner agencies, donor representatives, programme managers and through the cross-validation of data. While maintaining independence, the evaluation will be carried out based on a participatory approach, which seeks the views and assessments of all parties.

The evaluation report shall follow the structure given in annex 1. While maintaining independence, the evaluation will be carried out based on a participatory approach, which seeks the views and assessments of all parties. It will address the following issues:

A) Evaluation of (sub-) components

Ownership and relevance

The extent to which:

(i) The component was formulated with participation of the national counterpart and/or target beneficiaries, in particular the industrial stakeholders.

(ii) The counterpart(s) has (have) been appropriately involved and were participating in the identification of their critical problem areas and in the development of technical cooperation strategies, and are actively supporting the implementation of the component.

(iii) A logically valid means-end relationship has been established between the component objective(s) and the higher-level programme-wide objective.

(iv) Changes of plan documents during implementation have been approved and documented.

(v) The outputs as formulated in the IP document are still necessary and sufficient to achieve the component objectives.

(vi) Coordination envisaged with other components within the IP or with any other development cooperation programmes in the country has been realized and benefits achieved.

Efficiency of implementation

The extent to which:

(i) UNIDO and Government/counterpart inputs have been provided as planned and were adequate to meet requirements.

(ii) The quality of UNIDO services (expertise, training, equipment, methodologies, etc.) were as planned and led to the production of outputs.

Effectiveness of the component

Assessment of:

(i) The relevance of the outputs produced and how outputs are used by the target beneficiaries.

(ii) The outcomes, which have been or are likely to be realized through utilization of outputs.

Impact

(i) Identify what developmental changes (economic, environmental, and social) at the target beneficiary level (industry) have occurred or are likely to occur.

B) Programme-wide evaluation

Relevance and ownership

The extent to which:

(i) The IP was jointly identified and formulated with the central coordinating authority, as well as with the involvement of programme counterparts and their target beneficiary groups.

(ii) There is an agreement among the stakeholders that the objectives of the IP are still valid and that the programme supports the country industrial strategy.

(iii) The programme did and continues to met the MDGs and other international targets and is related to UNIDO's corporate strategy.

(iv) The programme is complementary with relevant bilateral and multilateral cooperation and coordination programmes (especially UNDAF and CCA).

Funds mobilization

The extent to which:

(i) The central national management and counterparts were able and willing, to contribute (in kind and/or cash) to IP implementation and in taking an active part in funds mobilization.

(ii) UNIDO HQs and the Field representation paid adequate attention to and was effective in funds mobilization.

(iii) The IP team and its stakeholders were in a position to participate in the process of allocation of seed money.

Programme coordination management

The extent to which:

(i) The central national management and overall field coordination mechanisms of the Programme have been efficient and effective.

(ii) The UNIDO HQ based management, coordination, monitoring of its services have been efficient and effective.

Programme identification and formulation

The extent to which:

(i) A participatory programme identification process was instrumental in selecting problem areas and counterparts requiring technical cooperation support.

(ii) The IP has a clear thematically focused development objective, which will contribute to goals established by the country, the attainment of which can be determined by a set of verifiable indicators.

(iii) The project/programme was formulated based on the logical framework approach.

Synergy benefits derived from programme integration

The extent to which:

(i) Coordination amongst and within components led to benefits (such as cost saving in implementing UNIDO services; increased effectiveness resulting from providing different services to the same target group; increased effectiveness resulting from interventions aiming at strengthening linkages within a system; improved effectiveness due to services provided simultaneously at the level of policies, support institutions and enterprises).

(ii) The transaction costs of the IP (management and coordination of many stakeholders, complexity in funds mobilization, etc.) were commensurate to the benefits of integration.

Results at the programme-wide level (contribution to industrial objectives of the country)

Assessment of:

(i) The results achieved so far at the output, outcome and whenever possible impact level.

(ii) If the IP has, or is likely to contribute indirectly to the achievement of the Millennium Development Goals (indicate which ones).

(iii) Result indicators were developed and facilitated the assessment of progress towards national and international development targets.

V. Evaluation Team

The evaluation team will be composed of one international evaluation consultant acting as team leader, one UNIDO staff member of UNIDO Evaluation Group and one national evaluation consultant (to be selected jointly by UNIDO and the Government of Ghana).

The staff member of UNIDO evaluation group will act as a member of the evaluation team and will participate in the evaluation mission in order to ensure the usefulness of the evaluation for UNIDO organizational learning.

UNIDO evaluation group will be responsible for the quality control of the evaluation process and report. It will provide inputs regarding findings, lessons learned and recommendations from other UNIDO evaluations, ensuring that the evaluation report is useful for UNIDO in terms of organizational learning (recommendations and lessons learned) and its compliance with UNIDO evaluation policy and these terms of reference.

All consultants will be contracted by UNIDO. The tasks of each team member are specified in the job descriptions attached to these terms of reference.

Members of the evaluation team must not have been directly involved in the design and/or implementation of the programme/projects.

UNIDO Field Office in Ghana will support the evaluation team. Donor representatives from the bilateral donor representations will be briefed and debriefed.

VI. Timing

The evaluation is scheduled to take place in the period 11-12 2007. The field mission for the evaluation is planned to take place from 5th to 16th November 2007.

After the field mission, the international team members will come to UNIDO HQ for debriefing. The final version of the evaluation report will be submitted 6-8 weeks after the debriefing at the latest.

VII. Reporting

The evaluation report shall follow the structure given in annex 1. Reporting language will be English.

Review of the Draft Report: Draft reports submitted to UNIDO Evaluation Group are shared with the corresponding Programme or Project Officer for initial review and consultation. They may provide feedback on any errors of fact and may highlight the significance of such errors in any conclusions. The consultation also seeks agreement on the findings and recommendations. The evaluators will take the comments into consideration in preparing the final version of the report.

Quality Assessment of the Evaluation Report: All UNIDO evaluations are subject to quality assessments by UNIDO Evaluation Group. These apply evaluation quality assessment criteria and are used as a tool for providing structured feedback. The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality (annex 3).

Annex 2: Organizations Visited and Persons Met

UNIDO Field Office

1. Antonios Levissianos
   UNIDO Representative

2. Dan Baffour-Awuah
   National Programme Coordinator

3. Clement Djameh
   Field Project Manager, Sorghum Malt Project

4. Kwame Asanti
   National Programme Coordinator, Refugee Project

5. Edem Akotia
   UNV, REDS project

UNDP

6. Douad Toure
   UNDP Resident Representative

Ministry of Industry and Trade

7. Ageyman Manu
   V/Minister

8. Seith Evans Addo
   Chief Director

9. Tando
   UNIDO Project Coordinator

National Board for Small Scale Industries

10. Nana Boah Boakye
    Executive Director

11. Anna Admo-Himbson
    Director, Enterprise Development

GRATIS Foundation

12. Seth Achamfour-Yeboak
    Interim Chief Executive Officer

13. Sheini Abu-Bakar
    General Manager, Technical

Crocodile Matchets

14. Seth N.S. Quao
    General Manager

15. Adou Dansau
    Maintenance Manager

Cocoa Processing Co.

16. Vivian Kwakye
    Safety and Environmental Officer

Nuguchi Memorial Institute

17. Prof Ankrah
    Head of Clinical Pathology Department

Environmental Protection Agency

18. Jonathan A Allotey
    Executive Director

Japan Embassy

19. Yoko Anazawa
    1st Secretary

20. Yutaka Nakamura
    Counselor, Deputy Head of Mission

Mineral Commission

21. Ellis Paul Atiglah
    Principal Planning and Policy Officer

22. Felix Kwaku
    District Officer

Local Government – Wassa Amenfi East District

23. Wasa Amenfi East District Chief Executive

Christine Refugee Camp

24. Ret Maj Edjameh
    Camp Manager

Emmanuel Fish Processing Group

25. Grace Adjei
    UN Volunteer

26. Group Chairperson and members

Lower Pra Rural Bank Ltd

26. Issac Kwamina Afful
    Chief Executive Officer

Abuasi Fish Processing Group

27. Group chair and members

Ebenut Ghana Ltd

28. Proprietor and participant in the Investors Forum

Food Research Institute

29 Paanni Johnson

Embassy of Switzerland

29. Emeafa Hardcastle
    Ecnomic and Trade Officer

Ghana Investment Promotion

30. Peter Ankrah
    Director, Promotion Division

Association of Ghana Industries

31. Cletus J. Kosiba
    Executive Director

32. Seth Twum-Akwaboah (Ag Head Business Development Center)

Ministry of Energy

33. Emmanuel Antwi-Darkwa
    Director, Power

34. Wisdom Ahiataku-Togobo
    Head, Renewable Energy Unit

FPQ Resources

35. Felix P Quansar
    Managing Partner, Consulting and Research

Annex 3: Ghana Facts and Figures

- Poverty levels have dropped from 52% in 1992 to 28.5% in 2005.
- Economic growth has averaged 4.5% from 1983 through 2000, but accelerated to 5.6% in 2004 and 6.2% in 2006.
- Ghanaians' access to electricity (55%) is the highest in Sub-Saharan Africa outside South Africa.
- Some 750,000 people in 2,014 communities have gained access to new or improved water supplies and sanitation systems – with coverage reaching 55% of the population and exceeding the original target by 36%.
- After Ghana upped its education budget support in 53 deprived districts, the gross enrolment rate in those districts increased to 84.3% in 2006 from 70.7 % in 2002.
- Girls' access to school also improved from 65.5% to 72% in the same timeframe.
- Student scores in English and math have improved over the past 10 years across all income levels.
- Over 8,000 classroom blocks (consisting up to six classrooms or more per block) have been constructed, reaching about one-third of schools across the country.
- 35 million textbooks have been published, raising the number of English and math textbooks to one per child.
- Fifteen years ago, nearly two-thirds of primary school graduates were functionally illiterate. In 2004, the figure was one in five.
- The road network has increased from 25,000 kilometers in 2000 to over 60,000 kilometers in 2005.

* Source: The World Bank

Annex 4: UNIDO Technical Cooperation Activities

Value of Net Approvals in 2006
(In thousand of US dollars)

Source of Funds	Africa(excluding African Arab States)	African Arab States	Total
UNIDO regular budget	436	77	2,555
UNDP funds	1,190	.49	572
Industrial Development Fund	2,410	526	15,007
Montreal Protocol	3,948	8,844	34,655
Self financed trust funds	1,036	.12	1,694
Third party financed funds	4,108	1,872	27,153
Global Environment Facility	3,679	150	15,166
Other trust funds	368	0	6,388
European Union	453	0	1,181
TOTAL	17,628	11,408	104,371

Source: UNIDO 2006 Annual Report