

Interim evaluation 2008

**Support for Decentralization Reforms,
Ghana**

Brief Report

gtz

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Evaluation Unit

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Tabular overview

The evaluation mission

Evaluation period	03/2008 – 01/2009, field mission: 01.-19.09.2008
Evaluating consulting firm	AFC Consultants International GmbH
Evaluation team	Susanne Kühn and Anthony Batse

The development measure

Title according to the offer	<p>“Support for Decentralization Reforms” (current/2nd project phase)</p> <p>“Local Governance and Poverty Reduction Support Programme” (previous/1st project phase)</p>
Number	<p>2006.2110.2 (current/2nd phase)</p> <p>2003.2034.1 (1st phase)</p>
Overall term broken down by phases	<p>Total duration: 10/2003 – 09/2013</p> <p>1st phase: 10/2003 – 03/2007</p> <p>2nd phase: 04/2007 – 03/2011</p>
Total costs	<p>German contribution: Total: 15,000,000 (10/2003-09/2013),</p> <p>1st phase: 8,000,000 EUR (10/2003 – 03/2007)</p> <p>2nd phase: 7,000,000 EUR (04/2007-03/2011)</p>
Overall objective as per the offer, for ongoing development measures also the objective for the current phase	<ul style="list-style-type: none"> ▪ Overall objective (1st phase): Local authorities (district assemblies, administrations, sub structures) assume their responsibility for sustainable development in line with the decentralization law and the national poverty reduction strategy. ▪ Revised overall objective (2nd phase): The public services assigned to local authorities shall be provided efficiently and according to citizens’ needs and priorities. ▪ Phase objective of the current phase: Continuative decentralization reforms are developed and have been integrated into the political decision-making and implementation process at national and local level.

Lead executing agency	Ministry of Local Government and Rural Development and Environment (MLGRDE)
Implementing organisations (in the partner country)	Ministry of Local Government, Rural Development and Environment (MLGRDE), Ministry of Finance and Economic Planning (MFEP), Ministry of Public Service Reform (MPSR), Ministry of Chieftaincy and Culture (MCC), National Development Planning Commission (NDPC) and selected local authorities
Other participating development organisations	German Development Service (DED), Kreditanstalt für Wiederaufbau (KfW)
Target groups as per the offer	Population of the regions Brong-Ahafo, Ashanti, Central Region and Eastern Region

The rating

Overall rating <i>On a scale of 1 (very good, significantly better than expected) to 6 (the project/program is useless, or the situation has deteriorated on balance)</i>	Unsatisfactory (rating 4)
Individual rating	Relevance: 2; Effectiveness: 4; Impact: 4; Efficiency: 3; Sustainability: 3

The object of this evaluation is the project “Support for decentralization reforms”, Ghana” supported by GTZ. The evaluation was carried out by Susanne Kühn (international consultant) and Anthony Batse (national consultant) on behalf of AFC Consultants International GmbH between March and January 2009. The field mission in Ghana took place from 1st to 19th September 2008.

Context: The government of Ghana launched one of the most ambitious decentralization processes in Africa in 1998 as part of its strategy to address some of the key development challenges in the country and reduce poverty and inequalities. Since then, major achievements with regard to decentralization reforms have been made, including the establishment of local authorities, the devolution of some key functions of government to the regional and local level and the allocation of a dedicated budget to the District Assemblies (e.g. for construction of local social and economic infrastructure). At the same time, challenges remain, which include a comprehensive policy framework on decentralization and full implementation of the administrative decentralization. To date, local authorities in Ghana also possess limited capacities for an efficient and adequate provision of services to the citizens, which was assigned to them under the decentralization process.

Concept: In this context, the project is geared at improving local public service provision as a means to poverty reduction (overall project objective). The project began in 10/2003 with an overall project duration of 7.5 years, under the project title “Local Governance and Poverty Reduction Support Programme (LGPRSP)”. It was initially focusing on strengthening districts’ capacity in poverty reduction. At that time, the project concentrated on support to districts in poverty-oriented development planning and –management, technical assistance support to management of local level infrastructure and service delivery, financial management and civil society participation. During the first project phase it became clear that the project was unable to influence the overall policy framework and enabling environment (which would have been needed to achieve its objective) and its focus hence shifted towards supporting decentralization reforms at the policy level in 04/2007. Since then, project activities have been focusing on support to national policy processes related to decentralization reforms and geared towards making policy processes more transparent and participatory, promoting a transfer of administrative and fiscal responsibilities and resources, and aligning public spending in pilot regions with their district development plans.

The project’s political counterpart is the Ministry of Local Government, Rural Development and Environment (MLGRDE). However, the project works with a variety of actors, such as ministries, district councils and administrations, traditional leaders and civil society, following a multi-level and multi-stakeholder approach. Target groups of the project are the population

of the regions Brong-Ahafo, Ashanti, Central Region and Eastern Region as well as the entire population of Ghana, which is intended to benefit from improved service delivery by local authorities.

The evaluation is based on the five criteria relevance, effectiveness, impact, efficiency and sustainability. While sustainability is rated on a 4-point-scale (from 1 = very good sustainability to 4 = inadequate sustainability) the other criteria are rated on a six-point scale (from 1 = very good rating, significantly better than expect to 6 = the programme is useless, or the situation has deteriorated on balance). These criteria were agreed within the Development Assistance Committee, the Organisation for Economic Cooperation and Development (OECD-DAC). The programme is also evaluated (but not rated) with regard to its contribution to poverty reduction and the Millennium Development Goals, promotion of gender equality, promotion of sustainable development, and subject-specific success criteria.

An assessment of the success of the project along the key OECD-DAC evaluation criteria can be summarized as follows:

Relevance: The project aims at improving local public service provision as a means to reducing poverty. It thus addresses key development challenges in Ghana. It is also in line with Ghana's national development strategies, most notably Ghana's Poverty Reduction Strategies, and in line with international standards and conventions, such as the Millennium Declaration, as well as the German development policy. At the same time, it appears as if the political will to advance decentralization reforms in Ghana and national ownership of and demand for project advisory services at the policy level are rather low. Overall the evaluation team rates the relevance of the project as **good (level 2)**.

Effectiveness: After more than 5 years of project duration, an assessment of the project's progress against the phase indicators revealed limited evidence for progress towards achieving the project phase objective (current phase) "*continuative decentralization reforms are developed and have been integrated into the political decision-making and implementation process at national and local level*" and the revised overall objective of the second phase: "*the public services assigned to local authorities shall be provided efficiently and according to citizens' needs and priorities*" in the future. During the first project phase, project activities produced some positive results. However, their effectiveness on strengthening capacities of district assemblies was largely undermined by the project's inability to strengthen the enabling environment for local public service provision. Given the recent re-orientation of the project's focus towards a multi-level approach with strong focus on the policy level, the project is now better positioned to achieve its objectives. However,

key challenges remain such as the lack of national ownership and low demand for policy advisory services by the project. Overall, the evaluation team rates the effectiveness of the project to date as **unsatisfactory (level 4)**.

Impact: Since the achievement of overarching development results (impact) is a very long-term process, it is difficult to establish linkages with regard to overarching development results (defined in the results chain as: “*The poverty in households is reduced*”) that can be plausibly attributed to the project; especially since project activities at the policy-level started only recently, following the shift in project focus. With some exceptions there is, however, little evidence for the fact that the project had an impact on poverty reduction so far, which can be plausibly attributed to the project. Overall, the project concentrated on delivering activities without ensuring a systematic monitoring to ensure a clear focus on its desired effects and impacts. The evaluation team rates the impact as **unsatisfactory (level 4)**.

Efficiency: Overall, the degree to which the resources are invested in the project is appropriate, compared to the outputs and results achieved. The shift in project focus towards a multi-level approach clearly hampered project implementation by the way that the re-orientation in project focus towards a multi-level approach was managed, as many questions remained to be clarified during the beginning of the second project phase (e.g. institutional home of the project). In addition, a high turnover of staff and lack of institutionalized knowledge management contributed to a slow start of the project. However, this shift in focus is likely to increase the project’s efficiency in the long run. As a result, the project is today better positioned to achieve its objectives in a cost-effective way. In addition, the project coordinates well with other donors to avoid any duplication of activities. Overall, the evaluation team rates the efficiency as **satisfactory (level 3)**.

Sustainability: At the point of the evaluation, the impact achieved by the project is to a large degree unlikely to be sustainable due to a lack of an enabling environment that would provide incentives for sustaining these activities or mistakes in project design. Given the shift in project focus in the second phase, the project is now more likely to achieve sustainable effects. However, its sustainability will depend on strong alignment with national policies, priorities and processes and national ownership for the project. While the sustainability of the project is inadequate up to the point of the evaluation, it is likely to evolve positively. Overall, the project’s sustainability is rated as **satisfactory (level 3)**.

Overall, the evaluators concluded on an average rating of “satisfactory”: while the success of the project so far is unsatisfactory, the project’s re-orientation in focus towards a multi-level approach addressed key flaws in project design and concept and placed the project in a

stronger position to achieve its desired objectives and impacts on a sustained basis. However, the overall rating of the project is brought down to **unsatisfactory (level 4)** in accordance with GTZ's rating system, due to low ratings (unsatisfactory) for effectiveness and impact¹.

Conclusions and recommendations: During the first project phase, the project developed and piloted innovative approaches for strengthening capacities for local public service delivery at the district level. However, little progress was made towards the achievement of the project objectives. Reasons include the lack of a comprehensive project monitoring system, which would have allowed for a systematic tracking of progress towards the achievement of the project goal and re-adjustment of project activities. As a result, the project appeared to lack a clear focus towards the achievement of its objectives. Most importantly, the project was unable to influence policy-making at the national level and to strengthen the enabling environment for local level public service provision.

The shift in project focus towards a multi-level approach with focus on the policy-level hence appears to be justified, as it is likely to improve project's effectiveness, impact, efficiency, and sustainability. At the same time, the way that the transition process was managed, hampered project efficiency in the short-run, as much of the beginning of the second phase was needed to clarify open questions, such as definition of the key counterpart and institutional home of the project.

As yet, the project has not managed to establish its position as a valued and trusted partner in policy advisory services and to raise demand for project advisory services at the policy level. Looking back, the demand for policy advisory services at the national level and ability to align project monitoring to national systems was judged overly optimistic.

Therefore, the project's ability to support policy reforms and achieve its desired objectives will critically depend on its success in positioning itself as a trusted and valued partner and resource to the MLGRDE and other key stakeholders at the national level, key line ministries, intermediary organizations and civil society. In this regard, a close alignment of its activities with partner priorities and needs will be key in view of raising demand for its policy advisory services. In this regard, the project's institutional home within the Project Management Unit-structure of MLGRDE should be re-assessed and the request for an office location within the premises of MLGRDE pursued.

¹ If effectiveness, impact or sustainability are accorded a numerical rating of „4“ or poorer, the overall rating is downgraded to „4“, even if the average is better than „4“.

Whether a relatively small, bilateral technical assistance project with comparatively little funding will have the clout to establish itself as a valued partner in policy advice, will strongly depend on German Development Cooperation to act as a unified team of GTZ, KfW and DED. It is key that such a team successfully manages to link technical and financial cooperation and capitalize on a multi-level approach by combining policy advisory work, while drawing from hands-on experience from the ground, particularly through DED-advisors at the regional and district level. In this regard it will be important to get to a clear division of roles and responsibilities, improved exchange of information and alignment towards a common project goal. In view of strengthening harmonization and alignment in line with the Paris Declaration, the project may also want to consider entering formalized strategic partnerships with other development partners, which support the decentralization process in Ghana.

At the time of the evaluation, a joint German development programme of KfW, GTZ and DED was in the process of being developed, designed to combine financial assistance and technical assistance. Financial assistance would provide districts with access to finance for infrastructure along with incentives for improving local governance and national capacity development, while technical assistance would provide complementary advisory support on incentives systems, as well as an assessment of needs and an implementation plan for capacity development. Although the offer to BMZ was not finalized at the time of the evaluation, the joint programme appears to be well positioned to address some of the challenges described above and make a meaningful contribution to decentralization and local governance reforms in Ghana.

While most development partners in the area of decentralization reforms in Ghana are present at the policy-level only, the multi-level approach pursued by the project represents a comparative advantage and added value: it is grounded at the local level and able to develop and test methodological approaches and instruments and then feed lessons learned into policy-making. In this sense, strengthening the multi-level approach should be a key element of the joint German development programme, as it is currently being developed. While a close alignment with needs and priorities of its key counterpart MLGRDE will be essential, the evaluation team at the same time recommends strengthening a multi-stakeholder approach.

In addition, the project/joint German development programme should concentrate on a clear thematic focus that is closely linked to key issues in decentralization policy reforms, e.g. based on needs at the district level.

The evaluation team strongly urges the project to ensure a systematic monitoring of project activities and progress towards the project objective and impact to allow for an adjustment of project activities, where required.

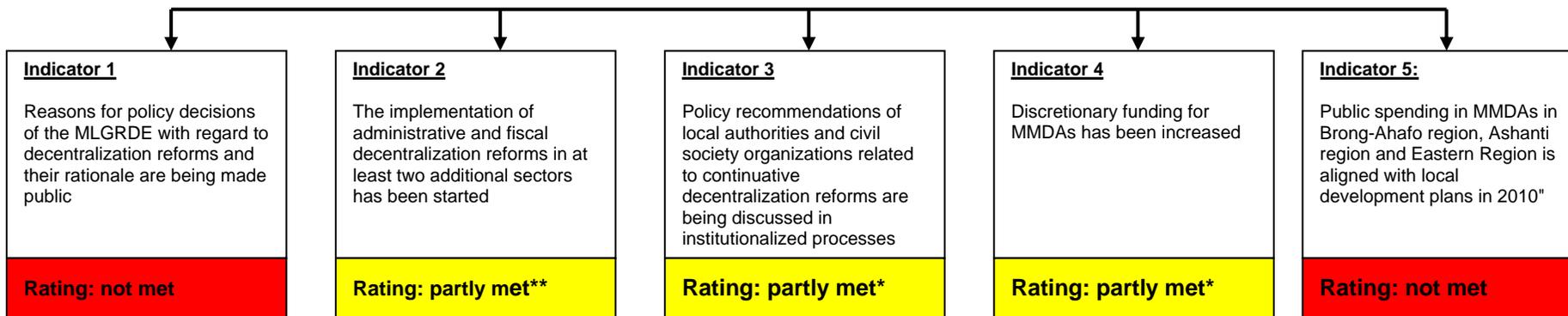
In view of the weak national ownership and low demand for policy advisory services to date, the evaluation team suggests to re-assess the project progress towards positioning itself as a valued partner with key stakeholders at the policy level (particularly MLGRDE) around mid/end 2009 as a basis for continuing project/programme support.

Graphical display of objectives' achievements according to indicators

Project
Support to Decentralization Reforms in Ghana
Overview of achievement project objectives per indicator at the time of the evaluation

Overall project objective
 The public services assigned to local authorities shall be provided efficiently and according to citizens' needs and priorities

Phase objective
 Continuative decentralization reforms are developed and have been integrated into the political decision-making and implementation process at national and local level



* this progress cannot be attributed to the project **the project made some limited contribution to the progress