What did IDEV evaluate?

The evaluation covered the 2002-2015 period during which time the volume of Bank assistance to Ghana was about UA 1.33 billion for 44 projects. Nearly 78% of Bank financing during this period came through the ADF window; the ADB window accounted for about 19%. Loans represent 82% of the portfolio and grants represent 18%. The majority of Bank support by value was in the transport, governance and agriculture sectors (32.2%, 24.3% and 14.3% respectively).

What did IDEV find?

Relevance of the Bank’s CSPs and project portfolio was satisfactory. Over the evaluation period, they were found to be well aligned with contemporary national development strategies. Furthermore, the project portfolio is aligned with the Bank’s CSPs, corporate and sector policies and the needs of beneficiaries.

Effectiveness of the Bank’s interventions was found moderately satisfactory. Across sectors, 88% of planned outputs were delivered and in several cases, targets for delivery of outputs were exceeded. Transport sector projects reduced travel times and costs, and aided economic activities. Governance sector projects helped improve regulations for the private sector, but modest progress was seen with respect to decentralization, strengthening of accountability functions and control of public sector wage expenditure. Agricultural sector projects significantly improved productivity and increased incomes. Successes were also noted in the power, finance and industry, and water supply and sanitation sectors.

Efficiency was rated as unsatisfactory. Long delays, averaging 18 months, were noted between approvals and first disbursements. In addition, there were long implementation delays.

Sustainability is moderately unlikely overall. Interventions in nearly all sectors (power, transport, governance, agriculture, social and water) are beset by risks to sustainability, including lack of maintenance funds, low institutional capacity and lack of ownership.
What did IDEV recommend for the new strategy?

The Bank should:

- Propose a mix of instruments to further support private sector regulatory reform, improve the business environment and strengthen accountability functions, particularly audit and procurement.
- Identify opportunities to engage the private sector in addressing a broader range of CSP objectives.
- Encourage private investment in the energy sector by promoting cost-reflective tariffs and providing guarantees for power purchase agreements.
- Improve support to regional trade, by continuing to address infrastructure constraints while also incorporating trade facilitation considerations.

- Address weaknesses in project design which impact both effectiveness and sustainability through enhanced scrutiny prior to approval, including: (i) the extent of consultation with project beneficiaries; (ii) quality of feasibility studies; (iii) project implementation capacity; (iv) realism of project scope and timeframes; (v) mitigation of risks to sustainability; and (vi) clear arrangements for the collection of implementation data.
- Address obstacles to timely implementation by limiting requirements for counterpart funds and ensuring that all stakeholders are made aware of conditions precedent.
- Ensure that crosscutting themes are included in project log-frames and disaggregated at the outcome level.
- Further strengthen supervision by ensuring that all elements of the project logic are addressed or that credible alternatives are identified, and improving the skills mix of supervision teams for private sector operations.

What did Management respond?

Management agrees with the key findings and recommendations of the evaluation to address weaknesses in project design, obstacles in timely implementation of projects, and infrastructure bottlenecks to improve and support regional trade. Management acknowledges that rollout of the Bank’s new Development and Business Delivery Model (DBDM) would make the Bank a more nimble partner that can better deliver on its comparative advantage and be more competitive with its funding instruments. The recommendations provide useful lessons which will inform the design and implementation of the Bank’s next CSP for Ghana covering the period 2017-2021.

About IDEV

Independent Development Evaluation (IDEV) of the African Development Bank carries out independent evaluations of Bank operations, policies and strategies, working across projects, sectors, themes, regions and countries. By conducting independent evaluations and proactively sharing best practice, IDEV ensures that the Bank and its stakeholders learn from past experience and plan and deliver development activities to the highest possible standards.