

## Annex B Revised Evaluation Questions, Findings and Evidence

Some evaluation questions and sub-questions provided by the terms of reference have been reclassified under the main OECD/DAC headings. In particular:

- The sub-questions: “To what extent was BUSAC incorporated into or acknowledged in government thinking and policy” and “To what extent did the results of BUSAC feed into government thinking”, which were initially under Relevance to Ghana were reclassified to Effectiveness under a new question “Was BUSAC successful in influencing Government?”
- The question “To what extent did BUSAC stimulate advocacy actions that would not otherwise have occurred?” under both Efficiency and Relevance was reclassified to Effectiveness.
- The sub-question “To what extent was BUSAC support focused around issues of strategic important to the private sector development in Ghana” was reclassified from Effectiveness to Relevance to Ghana.

Two additional sub-questions are asked around Relevance due to issues around the ToC, and these are addressed as part of a broader question “To what extent is the programme design appropriate to the Ghanaian context and Danida’s objectives?”

- Was the BUSAC programme based on a valid theory of change?
- Was the programme appropriately designed to achieve its objectives?

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence
<b>Relevance</b>			
<b>Relevance to Danida</b>	To what extent was BUSAC relevant to Danida’s overall strategy for Ghana?	<ul style="list-style-type: none"> <li>• <b>BUSAC I was closely aligned to Danida’s support to the GoG’s agenda</b> – the “Golden Age of Business”, a key part of the GoG’s Poverty Reduction Strategy (GPRS).</li> <li>• Danida’s, BSPS, pursued a pro-poor strategy in line with the GPRS.</li> <li>• BUSAC II is a small but key component of Denmark’s bilateral pledge to support Ghana’s Shared Growth &amp; Development Agenda (GSGDA).</li> <li>• Danida’s SPSP II (of which BUSAC is part) is providing support to Ghana’s Medium Term Private Sector Development Strategy (PSDS II) and targets improvements in the business environment and enhanced local and foreign investment, as well as supporting sustainable strategies for business growth and job creation.</li> <li>• Some SPSP II elements have failed to advance including the key work on the private sector strategy agenda. BUSAC II, implemented outside of the government, was permitted to proceed. The primary reason for the lack of progress on other elements relates to a debate</li> </ul>	<p>Document review (Ghanaian Gov. Docs; Danida Docs.);</p> <p>KIIs (duty bearers; donors)</p>

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence
		within the Government of Ghana relating to responsibilities for private sector development.	
	To what extent were BUSAC I and II designed in line with Danida objectives?	<ul style="list-style-type: none"> <li>• <b>BUSAC I was designed fully in line with Danida objectives that reflected the then-contemporary Danish Government strategy.</b> In 2003, Danida commenced a BSPS, initially for five years. This arose from the “Partnership 2000” strategy for development policy adopted by the Danish parliament in October 2000, whereby business development in developing countries was made a strategic priority.</li> <li>• Under the BSPS component, business advocacy was one of three subcomponents. An earlier evaluation<sup>1</sup> found that BSPS fully complied with the criterion of relevance to Danida.</li> <li>• BUSAC II was designed in an atmosphere of change (with upcoming national elections). Work commenced with an identification mission in January 2008, which foresaw BUSAC II as part of the SPSP II programme. The embassy had placed a concept note before the Programme Committee of the Ministry of Foreign Affairs (MFA) Denmark in late 2008.</li> <li>• BUSAC II evolved as part of the SPSP II based on a favourable independent BUSAC I evaluation.</li> </ul>	<p>Document review (Danida Docs. / BUSAC docs);</p> <p>KIIs (Danida; BUSAC mgt.)</p>
	To what extent were the objectives of BUSAC revised during the course of implementation?	<ul style="list-style-type: none"> <li>• The objectives and activities BUSAC were reviewed formally at the end of BUSAC I and aspects included in the design of BUSAC II.</li> <li>• Regular internal review of activities and appraisal of results. Changes that were made during BUSAC I responded largely to operational issues and challenges.</li> <li>• The stated objective of BUSAC I was strengthened advocacy capacity for the private sector through making grants to private business organisations, labour market organisations and media organisations in order to support business sector advocacy.</li> <li>• The stated objective of BUSAC II was aimed at improving the business environment in Ghana to facilitate private sector growth. Principles for the design of BUSAC II included amongst others: <ul style="list-style-type: none"> <li>○ 25% of resources should be allocated to proactively address issues of critical national strategic importance (there was no allocations in BUSAC I)</li> <li>○ Beneficiary groups should be expanded to include FBOs and targets for advocacy should also include traditional authorities, in particular on land.</li> <li>○ More emphasis should be placed on developing capacity and networks in order to promote sustainability.</li> <li>○ The oversight structure should be reformed, in particular to ensure that funding requests are subjected to a more rigorous appraisal/approval process.</li> </ul> </li> <li>• BUSAC Management responded to the revised agenda including an emphasis on issues of national or regional importance which were</li> </ul>	<p>Document review (BUSAC docs);</p> <p>KIIs (BUSAC mgt.)</p>

<sup>1</sup> Joint Evaluation of the Ghana – Denmark Development Cooperation from 1990 to 2006, Final Thematic Paper on Private Sector (Thematic Paper no. 5) Particip GmbH.

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence
		<p>addressed through invitational grants, through opening an office in Tamale in the north of Ghana to improve coverage of activities, especially with FBOs.</p> <ul style="list-style-type: none"> <li>• There was a greater effort to capture results in BUSAC II, through an initiative to measure grantee and non-grantee association capability before grants were made and at the end of the grant projects, and through commissioning studies on grantee sustainability and grant project impact.</li> </ul>	
	To what extent were BUSAC governance and processes adapted to evidence adherence to Danida's key objectives?	<ul style="list-style-type: none"> <li>• <b>The governance and processes adopted throughout BUSAC I and II were appropriate to reflect Danida's objectives.</b></li> <li>• In the design of BUSAC I Danida formulated a vision based on a demand-led fund supported by outreach and capacity building for successful applicants.</li> <li>• The governance and operations of BUSAC I reflected this model, although right from the start, a 10% cash contribution requirement from grantees was built in to the competitive process. The governance arrangements for the fund were in line with best practice for challenge funds, involving a local selection panel of non-conflicted private sector experts.</li> <li>• <b>Danida's cross-cutting objectives were also reflected adequately in the design of BUSAC I operations.</b> The cross cutting objectives were gender, HIV/AIDs and democratisation. The facility design recognised that BUSAC I would be a demand driven facility and hence concentration on these issues was not guaranteed. The awareness raising materials were supportive of applications from women's associations, although these were not specifically targeted nor were applications treated differently. Democratisation was at the heart of the BUSAC I process, encouraging debate between government and representative organisations as well as organisations of relatively excluded groups.</li> </ul>	<p>Document review (BUSAC docs; Danida Docs)</p> <p>KIIs (BUSAC mgt.)</p> <p>VfM/Process Analysis of Fund</p>
	To what extent did BUSAC policies change in line with changes in Danida's priorities?	<ul style="list-style-type: none"> <li>• <b>BUSAC was able to respond to Danida's own changing agenda</b>, evidenced in the Danish Government's 2012 development agenda "The Right to a Better Life"<sup>2</sup> which emphasises inclusive green growth and a rights-based approach, through providing grants on projects that aimed to meet these objectives. A number of grants are expected to be approved in the latter stage of 2014 that are directly related to the inclusive green growth and the rights-based agendas.</li> </ul>	<p>Document review (Danida Docs)</p> <p>KIIs (BUSAC mgt.)</p>
	To what extent did the co-funding by DFID, EU and USAID influence the objectives and priorities of BUSAC?	<ul style="list-style-type: none"> <li>• <b>USAID influenced the objectives and priorities of BUSAC.</b> USAID were largely interested in supporting agriculture in the north of Ghana in order to support their own work on agricultural value chains, and the design of BUSAC II reflects this, through extending the grant eligibility criteria to include FBOs and by the decision to open a BUSAC facility in Tamale.</li> <li>• <b>The EU did not make provide any formal instructions concerning the BUSAC strategy.</b> The contributions of the EU and USAID have been provided through intergovernmental agreements, whereby Danida takes responsibility for the other donor contributions, and for the procurement of the BUSAC manager, and the reimbursement of grant payments and management costs. The contributions of the other partners are not hence earmarked formally to any particular grants or grantee groups but have influenced targeting as noted above. For example, USAID required a different set of progress indicators to meets its needs.</li> </ul>	<p>KIIs (BUSAC mgt.; USAID)</p>

<sup>2</sup> "The Right to a Better Life" Strategy for Denmark's Development Cooperation – Government of Denmark June 2012

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence
Relevance to Ghana	To what extent was BUSAC relevant for addressing the binding constraints in the business environment in Ghana seen both from Government side, from other expert sources, and from the private sector itself?	<ul style="list-style-type: none"> <li>From the government side, a key component of the 2010 PSDS II strategy approved by the GoG seeks to improve the environment for doing business, and the strategy recognises that constraints in the World Bank DB survey. <b>As discussed later, BUSAC's economy-wide approach means that it is only partially aligned to issues measured in the DB survey.</b> The Evaluation has only identified three grant projects that might directly impact the DB indicators if successful.</li> <li>The most authoritative surveys in the last few years, the WB/IFC enterprise survey (2007), and the 2012 Nathan Associates Ghana business enabling environment report prepared for PSDS II, and the Association of Ghana Industries (AGI) business barometer (2012) make it clear that domestic access to finance is a key constraint. Access to electricity is also clearly a constraint with unreliability of supply and high tariffs listed as critical by the AGI business barometer.</li> <li>Neither of these items features highly on BUSAC's agenda at the national level or in terms of advocacy projects supported. The ongoing advocacy by AGI on power for the manufacturing industry to a very large extent has not had any significant influence on this key binding constraint.</li> <li>As the review of SPPS II states BUSAC is too broad, and funds grantees that may have little relevance to the business environment.</li> <li>At the grantee level, BUSAC has responded to needs that are determined by the grantee. These needs may not be the most binding constraint even for the grantee.<sup>3</sup></li> <li><b>It is clear that advocacy alone is insufficient for most sectors.</b> There were several instances where stakeholders interviewed, including grantees, called for BUSAC to help link associations to sources of finance that will enable their members to grow their businesses, provide jobs and improve their profits.</li> </ul>	<p>Document review (Economy surveys/review s; Danida Docs)</p> <p>Fund portfolio analysis</p> <p>Ghana economic analysis (e.g. DB/investment climate)</p> <p>KIIs (BUSAC mgt.; grantees)</p> <p>FGDs (grantee)</p>
	To what extent was BUSAC aligned to GoG's priorities for PSD?	<ul style="list-style-type: none"> <li><b>The BUSAC I final review found that BUSAC was relevant to the GoG, in particular supporting the delivery of its key private sector development strategy (PSDS). Under PSDS I, which was mainly BE reforms, BUSAC was clearly acknowledged in supporting public-private dialogue and enabling associations to pursue private sector advocacy issues and to be able to articulate their concerns.<sup>4</sup></b></li> <li><b>BUSAC II provided the majority of its grants without significant government engagement. The management has responded through an invitational grant scheme to overcome this.</b> <sup>5</sup> The blueprint of GoG's priorities for private sector development (PSD) is currently contained in the PSDS II which includes improving the investment climate, enhancing access to finance through financial innovation, promoting/facilitating business linkages and promoting export diversification. BUSAC contributes to the first of these aims. Detailed planning under this strategy has been carried out but implementation plans and details are incomplete. During the Evaluation meeting with MOTI/PSDS it came to light that the PSDS would engage BUSAC on possible alignment whilst preparations continue on</li> </ul>	<p>Document review (Govt. docs.; Danida/BUSAC Docs)</p> <p>Fund portfolio analysis</p> <p>KIIs (Duty bearers;</p>

<sup>3</sup> For example, In the case of the poultry sector who advocated for a 30% tariff on US\$250 million of chicken imports, that project was eventually unsuccessful, but the depreciation of the Ghanaian Cedi (GHS) by 30% in 2014 has not enabled the industry to recover. The true binding constraints are clearly elsewhere.

<sup>4</sup> For example, BUSAC management was part of the PSD Sector Working Group chaired by the Ministry of Trade and Industry (MOTI). It also participated in half yearly joint review meetings of the PSDSI.

<sup>5</sup> In identifying invitational grants, the MOTI and PSDS Secretariat were invited by BUSAC management to high level workshops in 2013 to identify key priorities and reach convergence in the priorities set by the GoG and PSD actors. Subsequently BUSAC coordinated on the pipeline of invitational grants and was informed that they were well aligned with GoG priorities.

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence
		the implementation of the strategy.	BUSAC mgt.)
<b>Relevance of BUSAC to private sector</b>	To what extent was BUSAC support focused around issues of strategic importance to private sector development in Ghana?	<ul style="list-style-type: none"> <li>• The SPSP II Danida reviews repeatedly raised concerns regarding the limited attention paid by BUSAC to broader issues of strategic importance to the private sector in Ghana. The main cause for this relates to the way BUSAC was operating as a demand-led facility. It was left to the grantees themselves to define which advocacy issues warranted attention. A secondary cause related to the strategic change in BUSAC II to emphasise the north of Ghana and FBOs, giving rise to a number of large number of projects that were not of strategic importance to PSD.</li> <li>• As the review into SPSP II noted, the broad eligibility criteria for organisations mean that most issues can receive funding, with the review noting examples that have little to do with the business environment (for example, funds for traditional medicine).</li> <li>• BUSAC II responded to these strategically important national issues through an initiative to invite applicants to apply for grants that address the issues.<sup>6</sup> The invitational grants awarded to date focus on a variety of issues and not only on issues of strategic national importance.<sup>7</sup></li> <li>• Those which are clearly cross sector and national issues which would contribute to Ghana's improvement in the World Bank Doing Business surveys include; streamlining licensing requirements; reducing costs of doing business at ports and borders; bringing a corporate insolvency bill into law. Grants have been issued for other national issues include: legislation to compel deposit money banks to adhere to interest rate caps; establishing a waste management fund; and combating counterfeits and illicit trade.</li> <li>• In general, these projects are still ongoing, which makes it difficult to assess the extent to which they have or will be been successful.</li> </ul>	<p>Document review (Govt. docs.; Danida/BUSAC Docs)</p> <p>Fund portfolio analysis</p> <p>KIIs (Duty bearers; BUSAC mgt.)</p>
	To what extent does BUSAC align to the World Bank Doing Business agenda and to what extent does the government accept the	<ul style="list-style-type: none"> <li>• <b>BUSAC's agenda is not particularly aligned to the DB Agenda.</b> BUSAC management's statistics suggest that only approximately 20% of grants are for advocacy in topics that relate to DB topics, and only 11% are national level projects. The DB agenda very much looks to laws and regulations as written, and their implementation normally only in a major economic centre, and in terms of actual business practices, ignores informal practices.<sup>8</sup></li> <li>• The table below shows Ghana's annual performance in the DB during the effective life of BUSAC. The major changes noted by the WB during this period were positive in 2008-2010 and negative thereafter. Reforms giving rise to large scale changes in the rankings are: <ul style="list-style-type: none"> <li>◦ Starting a Business: Entrepreneurs required to obtain a tax identification number prior to company incorporation (2014), and increased the cost to start a business by 70% (2012). Ghana introduced one stop shops (2010) and simplified procedures (2009) and reduced registration time through computerisation (2008).</li> </ul> </li> </ul>	<p>Portfolio analysis</p> <p>DB analysis</p> <p>Document review (Danida/BUSAC Docs)</p>

<sup>6</sup> Six invitational grants were approved in 2010 of which four have been completed. Invitational grants are proposals within selected priority areas identified by BUSAC. They are developed in close collaboration between the BUSAC team and the grantee. In 2013 another 12 invitational grants were processed and approved and during the first half of 2014 ten more invitational grants have been approved.

<sup>7</sup> For example, Under the invitational grant process, BUSAC II has supported i) meta-advocacy projects such as "Using Sustainable Radio and Television Platforms to Articulate the Concerns of Business", "Promoting Business Advocacy through Comedy"; ii) single sub-sector issues to be advocated through a joint advocacy effort rather than a series of advocates representing different interest groups. Projects here looked at medical herbalists, small scale mining, pharmacies, establishing a construction industry development authority and regulating Fulani herdsman; iii) during the recent 2014 round of invitational grants, "Green Growth". "Climate Change" as well as "Rights Based Advocacy" were added to the focus areas of the invitational grants, representing priorities of Danida.

<sup>8</sup> <http://www.doingbusiness.org/methodology/common-misconceptions>

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	need to improve the business enabling environment reflected in the World Bank DB process?	<ul style="list-style-type: none"><li>o Trading Across Borders: Increased scanning of imports adding to import times (2013), congestion reduced (2008).</li><li>o Getting Credit: An operating license granted to a private credit bureau and established a centralized collateral registry (2011), new insolvency act (2008).</li><li>o Registering Property: Eliminated the requirement to register the deed of sale at the Lands Commission (2008).</li><li>o Enforcing Contracts: Ghana introduced commercial courts in Accra (2008).</li></ul> <ul style="list-style-type: none"><li>• No BUSAC I projects were targeted to support these changes. In BUSAC II, there are a number of nationally important projects from the invitational grants scheme but the selection of these was not tied to the DB agenda. Eight, approximately 50%, of projects under the invitational grants scheme are aligned to that agenda, but only three of these eight are likely to impact the DB measures if successful and implemented.</li><li>• The need to tackle national important agenda items appears as part of the design for BUSAC II and the SPSD II mid-term review recommended that BUSAC should adjust selection criteria to ensure that projects contribute to a better business environment and actively promote emerging issues of national issues. The first priorities for the invitational grants relate to building standards and inspections, and agricultural development in the Savannah Accelerated Development Authority (SADA) region of Northern Ghana and these are not aligned to any of the DB categories. Other priorities identified in workshops to identify themes are parochial or relate to macroeconomic woes, but other than access to credit, do not appear to be DB specific. Only one of these, “how to reverse the decline in manufacturing” is a GoG priority, reflected in the SPSD II agenda.</li></ul> <p><b>World Bank Doing Business Country rankings (Ghana)</b></p> <table><tr><th>DB Report year</th><th>2007</th><th>2008</th><th>2009</th><th>2010</th><th>2011</th><th>2012</th><th>2013</th><th>2014</th><th>2015</th></tr><tr><td>Starting a Business</td><td>149</td><td>138</td><td>136</td><td>135</td><td>99</td><td>104</td><td>111</td><td>128</td><td>96</td></tr><tr><td>Dealing with Licenses</td><td>140</td><td>140</td><td>144</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Employing Workers</td><td>131</td><td>138</td><td>134</td><td>133</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Registering Property</td><td>82</td><td>26</td><td>31</td><td>33</td><td>36</td><td>36</td><td>45</td><td>49</td><td>43</td></tr><tr><td>Getting Credit</td><td>132</td><td>115</td><td>109</td><td>113</td><td>46</td><td>48</td><td>24</td><td>28</td><td>36</td></tr><tr><td>Protecting Investors</td><td>32</td><td>33</td><td>38</td><td>41</td><td>44</td><td>46</td><td>32</td><td>34</td><td>56</td></tr><tr><td>Paying Taxes</td><td>93</td><td>75</td><td>66</td><td>79</td><td>78</td><td>90</td><td>92</td><td>68</td><td>101</td></tr><tr><td>Trading Across Borders</td><td>74</td><td>61</td><td>80</td><td>83</td><td>89</td><td>90</td><td>106</td><td>109</td><td>120</td></tr><tr><td>Enforcing Contracts</td><td>61</td><td>51</td><td>50</td><td>47</td><td>45</td><td>45</td><td>43</td><td>43</td><td>96</td></tr><tr><td>Closing a Business</td><td>94</td><td>96</td><td>106</td><td>106</td><td>109</td><td>106</td><td>116</td><td>116</td><td>161</td></tr><tr><td>Getting Electricity</td><td></td><td></td><td></td><td></td><td></td><td>68</td><td>88</td><td>85</td><td>71</td></tr><tr><td>Construction Permits</td><td></td><td></td><td></td><td>153</td><td>151</td><td>156</td><td>158</td><td>159</td><td>106</td></tr></table>	DB Report year	2007	2008	2009	2010	2011	2012	2013	2014	2015	Starting a Business	149	138	136	135	99	104	111	128	96	Dealing with Licenses	140	140	144							Employing Workers	131	138	134	133						Registering Property	82	26	31	33	36	36	45	49	43	Getting Credit	132	115	109	113	46	48	24	28	36	Protecting Investors	32	33	38	41	44	46	32	34	56	Paying Taxes	93	75	66	79	78	90	92	68	101	Trading Across Borders	74	61	80	83	89	90	106	109	120	Enforcing Contracts	61	51	50	47	45	45	43	43	96	Closing a Business	94	96	106	106	109	106	116	116	161	Getting Electricity						68	88	85	71	Construction Permits				153	151	156	158	159	106	
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		Overall Rank	109	87	92	77	67	63	64	67	70		
	To what extent do nationally representative institutions representing the private sector think that BUSAC is relevant to addressing the binding constraints?	<ul style="list-style-type: none"><li>• <b>In general, representatives of PSOs found that BUSAC is an important facility allowing them to voice their concerns in manner they otherwise would not have able to.</b></li><li>• As regards the binding constraints as listed above, the usefulness of BUSAC is less evident. The way BUSAC has operated in providing single advocacy issue grants to many types of institutions means that broader issues affecting the business climate are not addressed. The binding constraints are well known to Government, so the advocacy would not necessarily advance actions to address the constraints.</li></ul>											KIIs (grantees)

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence
<b>Relevance of programme design</b>	<i>Was the BUSAC programme based on a valid theory of change and appropriately designed to meet its objectives?</i>	<ul style="list-style-type: none"> <li>• The objective of BUSAC is to contribute to the creation of a better business enabling environment to support the development and growth of the Ghanaian private sector, through empowering representative organisation to advocate on issues of importance to them. Designed as a challenge fund the programme is designed to achieve the latter part of the objective statement. As discussed above, BUSAC has only recently focused on the former part of the statement.</li> <li>• As noted above it is difficult to fully assess the ToC, as the intervention logic for BUSAC was not explicitly developed, reliant on a fairly limited logframe (Barlow, 2009). This did improve in the design stage for BUSAC II where there was a more elaborate discussion of assumptions.</li> <li>• The implicit ToC in BUSAC I appears to be somewhat misaligned to the intended objective of “contributing to an improved enabling environment for the private sector”. It was based largely on strengthening the demand side of advocates (associations, media) based on the assumption that the supply side – the duty bearers – would respond in a way that met the advocate’s objectives and improved the business environment. But there was less interrogation (at least explicitly set out in documentation) of the mechanisms through which this would occur. For example, if it’s a lack of knowledge/evidence that limits enabling environment reforms, or if a set of other factors (funding constraints, different priorities etc.) largely outside of BUSAC’s control.</li> <li>• This was further complicated by BUSACs decision to adapt to Ghana’s decentralisation agenda by working with district sector associations. Whilst this is a valid strategy for achieving success at a grantee project level, given the often narrow and localised advocacy expectation issue this would not necessarily lead to successes at outcome or impact level – i.e. the overall enabling environment for private sector development and economic growth. It is true that such grantees may have had an impact on local economic growth dynamics but there is little available evidence to test this. In addition much of the documentation, including indicators such as the DB index refers to national impacts.</li> <li>• BUSAC’s II implicit ToC recognised some of these limitations, by providing more emphasis on issues that were of relevance at a national level (and therefore in theory, addressing business environment enabling issues. However, as noted below there is still limited alignment between the sum of the results of BUSAC’s overall grant project portfolio and the higher level (purpose and goal) objectives represented by the indicators chosen to verify those objectives.</li> </ul> <p>See Annex C for a more in-depth discussion of BUSAC’s ToC.</p> <ul style="list-style-type: none"> <li>• In the sense that improving the overall business environment equates to improving the WB Doing Business ranking, BUSAC II was not appropriately designed. It can be argued whether a challenge fund based on ideas generated by individual national and local PSOs is the most adequate tool for broader business environment improvements. The invitational grants are more likely to serve this purpose, but also for these there is no direct link between the indicators used by the DB for measuring the business environment and issues addressed by the advocacy action.</li> </ul>	<p>ToC analysis</p> <p>Document review (BUSAC)</p>
<b>Effectiveness</b>			
<b>Capacity of grantees</b>	Was BUSAC effective in increasing the capacity of	<ul style="list-style-type: none"> <li>• Increasing the capacity to conduct advocacy was part of the objective for a considerable number of grant projects. The primary objective of most grant projects related to a specific advocacy issue, but the process of advocating that the projects followed included capacity building aspects, including member sensitisation, advocacy training and financial management training.</li> </ul>	<p>Fund portfolio analysis</p> <p>Documentatio</p>



Core Evaluation Question	Sub-Question	Findings	Main sources of evidence															
	private sector institutions to advocate effectively?	<ul style="list-style-type: none"><li>It is widely accepted that BUSAC has played an important role as regards the capacity of private sector organisations to conduct advocacy and lobbying activities. This was confirmed by all interviewed PSOs. The effect appears to be more significant for smaller organisations such as FBOs and local PSOs with no previous advocacy experience, whereas the larger and more resourceful private sector associations already considered advocacy and lobbying as an important aspect of their agenda. However, even the interviewed representatives for the large national umbrella PSOs acknowledged that BUSAC has introduced them to a more systematic and professional way to advocate and lobby.</li><li>The UCC Impact Study confirms this observation: ‘Overall, 97% of the grantee associations (sample size 63) stated categorically that their advocacy capacity had been enhanced by the BUSAC intervention stating that the training delivered by BSPs as well as their involvement in the overall advocacy activities had greatly enhanced their capacity to undertake advocacy activities on their own’.<sup>9</sup></li><li>Danida’s completion report for BUSAC I gave the programme a “Satisfactory” rating. Against an output relating to advocacy capacity, the review found that grantees had increased their capacity to advocate significantly over the life of the project. Against an output relating to sustaining the capacity, performance was rated as mixed, depending on the specifics of grantees, but that strengthening the culture of advocacy was not sustainable due to a lack of institutionalisation and formal involvement of the private sector in policy development was a prerequisite to sustainability.</li><li>BUSAC II has built off this base and evidence from the capacity tool suggests with a high degree of confidence that capacity of private sector institutions <b>has increased</b>. The capacity tool suggests that the median score achieved for institutions that received a grant in BUSAC II showed increases whereas those completing the assessment who did not receive a grant did not demonstrate a significant increase.</li></ul> <p><b>Median Irwin Grayson composite index score for grantees by grantee organisation type and non-grantees<sup>10</sup></b></p> <table><tr><th></th><th>Population</th><th>Baseline assessment</th><th>Latest assessment</th><th>Change</th></tr><tr><td><b>Associations receiving a grant:</b></td><td></td><td></td><td></td><td></td></tr><tr><td>Business Association</td><td>160</td><td>45.83</td><td>59.27</td><td>+13.43</td></tr></table>		Population	Baseline assessment	Latest assessment	Change	<b>Associations receiving a grant:</b>					Business Association	160	45.83	59.27	+13.43	<p>n review (BUSAC reviews/studies)</p> <p>KIIs (grantees)</p> <p>Irwin Grayson results analysis</p>
	Population	Baseline assessment	Latest assessment	Change														
<b>Associations receiving a grant:</b>																		
Business Association	160	45.83	59.27	+13.43														

<sup>9</sup> Further, training given to some grantees by BSPs had exposed them for the first time to the processes involved in advocacy while their involvement in the advocacy process had given them the practical experience and also built their confidence’ (p. 44-45).

<sup>10</sup> \* “Composite index score” is defined by the Evaluation as the average of six constituent results obtained from Irwin Grayson model relating to the depth and breadth of “Advocacy”, “Results” and “Relationships”. Irwin Grayson defines these terms as follows:

- “Advocacy” looks at number and experience of staff, processes used to identify and prioritise issues, approaches to researching and understanding issues and utilisation of a range of advocacy tools and approaches.
- “Results” or outcomes, shows whether the organisation has been successful: it covers media coverage (scale and accuracy), perception of the support of stakeholders for an issue, perception of the extent to which policy makers have been influenced (from changing the way that they see an issue through to legislating) and an assessment of improvement by the organisation in competence.
- “Relationships” gives an indication of the processes used by the organisation: it looks at links and frequency of contact with policy makers, knowledge of and contacts with other interest groups and type and frequency of contacts with members.

Core Evaluation Question	Sub-Question	Findings					Main sources of evidence																																
		FBO	92	38.43	57.93	+19.50																																	
		Media	8	57.70	57.80	+0.10																																	
		Professional	3	53.93	60.13	+6.20																																	
		Trade union	10	38.73	58.80	+20.07																																	
		Total	10	44.60	58.33	+13.73																																	
		Associations not receiving a grant:																																					
		Total	29	49.33	50.27	+0.93																																	
	How did the capacity of the PSOs develop over the support period?	<ul style="list-style-type: none"><li>• <b>Capacity of PSOs has developed over the grant period, especially looking at advocacy competence as was demonstrated in the table below.</b></li><li>• Within the business association and FBO groups of BUSAC II grantees, the changes in six constituent elements of the Irwin Grayson model. The median values of the changes are shown for each group. The results suggest that the numbers of relationships a grantee has remains largely unchanged but that the relationships are deeper. “Advocacy” of grantees has improved but “Results” are significantly improved.</li></ul> <p><b>Table: Longitudinal changes in composite Irwin Grayson indices reported by Business Associations and FBOs.</b></p> <table><tr><th>Irwin Grayson Dimension</th><th>Breadth/ depth</th><th>Business Associations</th><th>FBOs</th></tr><tr><td>Number of grantees</td><td></td><td>160</td><td>92</td></tr><tr><td>Relationships</td><td>Breadth</td><td>+2.0</td><td>0.0</td></tr><tr><td>Relationships</td><td>Depth</td><td>+8.0</td><td>+8.0</td></tr><tr><td>Advocacy</td><td>Breadth</td><td>0.0</td><td>+10.0</td></tr><tr><td>Advocacy</td><td>Depth</td><td>+7.2</td><td>+10.4</td></tr><tr><td>Results</td><td>Breadth</td><td>+25.0</td><td>+30.0</td></tr><tr><td>Results</td><td>Depth</td><td>+28.0</td><td>+39.0</td></tr></table> <ul style="list-style-type: none"><li>• The Irwin Grayson data provides that 61% of 273 BUSAC II grantees have improved “Relationships” scores, 71% have improved “Advocacy” and 83% improved results.</li><li>• These findings are partially consistent with the 2014 UCC impact study which found that 60% of the grantee associations had experienced increases in payment of dues (proxy for organisational capacity) after the BUSAC intervention, while 37% of the respondents reported that the situation was unchanged. Most of the grantee associations directly attributed the increase in payment of dues to the BUSAC intervention. Although it is important to note that payment of dues in general is extremely low.</li><li>• As regards the grantee associations’ capacity to undertake advocacy actions, the UCC study found that 97% of the associations stated their capacity had been enhanced by the BUSAC intervention. They argued that the training given to them by the business service providers as</li></ul>					Irwin Grayson Dimension	Breadth/ depth	Business Associations	FBOs	Number of grantees		160	92	Relationships	Breadth	+2.0	0.0	Relationships	Depth	+8.0	+8.0	Advocacy	Breadth	0.0	+10.0	Advocacy	Depth	+7.2	+10.4	Results	Breadth	+25.0	+30.0	Results	Depth	+28.0	+39.0	Documentation review (BUSAC reviews/studies – UCC/Jeavco)  KIIs (grantees)  Irwin Grayson results analysis
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Core Evaluation Question	Sub-Question	Findings	Main sources of evidence
		<p>well as their involvement in the overall advocacy activities had greatly enhanced their capacity to undertake advocacy activities on their own. Indeed, some said the training given to them by the service provider had exposed them to the processes involved in advocacy while their involvement in the advocacy process had given them the practical experience and also built their confidence” (p. 44). The study however did not assess the ability of the grantee associations to mobilise the financial resources necessary for the associations to engage in evidence-based advocacy actions.</p> <ul style="list-style-type: none"> <li>• The 2013 Jeavco sustainability study argues organisations that have benefitted from the grant are not adequately prepared to continue with the evidence-based advocacy after BUSAC II. The study noted that BUSAC does not provide grantees with financial capital nor does it link the grantee to potential sources of finance such as the Rural Fund. The study found BUSAC to be weak on skill transfer as the grantees are provided with service providers “who tend to facilitate the implementation process from the preparation and submission of proposals to the completion of the project”.</li> <li>• Unlike the UCC Impact Study the Evaluation did not notice any significant general organisational strengthening of the grantee associations except for the women-dominated community-based associations where the principal objective of the grant project was organisational strengthening. The smaller organisations explained that the experience acquired from being part of an advocacy exercise has helped them to get a better understanding of how run the organisation in a professional and transparent manner which in turned has benefitted their individual businesses.</li> <li>• All interviewed grantee organisations regardless of size stated that without external financial support they would not be able to conduct systematic fact-based advocacy actions.</li> <li>• It should be mentioned than even in instances where the implementation has been slow or not taken place at all the advocacy process has often led to an improved climate for public-private dialogue. Several of the grantees interviewed mentioned that duty bearers have become easier to approach apparently appreciating the importance of consulting the private business on issues affecting these.</li> </ul>	
	What was the effectiveness of the supported PSOs in terms of identifying the advocacy issues, producing quality evidence or advice, targeting the	<ul style="list-style-type: none"> <li>• <b>The general effect of the support by BUSAC on the organisational strength of the grantees varies, but tends to be most significant for smaller PSOs.</b> This is in line with the finding by the Impact Study which found that the support has had a marked effect on the financial management practice by the PSOs.</li> <li>• <b>In general, universal capacity development is not part of the BUSAC model.</b> However, interviewed representatives of smaller PSOs reported that the ‘Why and How to Advocate’ training and the general financial management course have helped the organisation to improve performance and get a better sense of how to involve the members and run the organisation effectively and efficiently. The appointed BSPs have to a varying extent assisted the grantees to achieve this result.</li> <li>• <b>The production of evidence (research) is a key element that BUSAC has introduced as a standard.</b> The interviewed grantees found that the availability of evidence to support their case had been highly useful and contributed to add weight to their arguments. In a few instances the research led to a change of the direction of the advocacy.<sup>11</sup></li> <li>• <b>For a small number (less than 10) of BUSAC grants, capacity building was a stated objective and the impact has been</b></li> </ul>	<p>Documentation review (BUSAC reviews/studies – UCC/Jeavco) KII (grantees)</p> <p>FGDs</p> <p>Fund Portfolio Analysis</p>

<sup>11</sup> The Evaluation was informed about a case where the grantee decided to abandon the advocacy process because the research discovered that the objective was not achievable (“Ensuring enactment of Ecowas Common External Tariff on poultry imports” by Ghana National Association of Poultry Farmers).

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence
	relevant institutions/individuals and presenting the case?	<b>substantial.</b> For example, grants awarded to PEF and the Association of Farmers with Disability, both at the verge of collapse at the time of the grant award, were deemed successful. A number projects providing training programmes for media experts and journalists also achieved their objectives.	
	What were the most important factors influencing whether an advocacy action achieved its objective?	<ul style="list-style-type: none"> <li>• <b>The Evaluation has not been able to prioritise the factors that influence whether an advocacy action has achieved its objective, but has determined that following factors are certainly relevant to the analysis.</b> The success of an advocacy action part-funded by BUSAC seems to be affected by the following circumstances: <ul style="list-style-type: none"> <li>○ <b>The complexity and cost implications of the issue in question.</b> In general, single issue advocacy actions involving relative few stakeholders and with limited budgetary implications tend to be the ones that are mostly likely to achieve their objective within the stipulated timeframe.<sup>12</sup> The topic of these advocacy actions typically relate to weak enforcement of existing legislation, inadequate delivery of public service, or simple sensitization of the public about a particular issue.</li> <li>○ <b>The level of authorities involved.</b> It was relatively easier to agree actions that are in the domain of district, metropolitan and municipal assemblies than the national level.</li> <li>○ <b>Policy and regulatory issues involving new legislation or where many stakeholders are affected have a tendency to be far more complicated and time consuming.</b> The time allocated by BUSAC for the dialogue and post-dialogue parts of the advocacy process is often too short for national level policy issues.<sup>13</sup></li> <li>○ <b>Advocacy action aimed at protecting the interests of a particular group of business operators against what is perceived unfair competition is less likely of achieving its objective.</b><sup>14</sup> There are several reasons why the success rate for these topics tends to be low. As mentioned above, the time allowed for BUSAC projects involving legislation is too short. The tight schedules of involved duty bearers are a common problem experienced by many advocating organisations. Secondly, although the involved duty bearers may agree to the issue the resources required for implementation and enforcement are not available. And thirdly, the issue is politically controversial or simply not achievable.</li> <li>○ <b>The timing of the advocacy action,</b> as pointed out during the FGDs. This related both to the planning cycle of the authorities involved (when the issue has cost implications it is most likely to be successful when it is raised prior to the passing of the budget of the relevant authority) and, for national level issues, the availability of senior government officials to deal with such matters. Senior level duty bearers are particularly difficult to reach before and after elections. Often they are unavailable for several months due to this. In retrospect, this should have been a project selection criterion.</li> <li>○ <b>Relevance of the advocacy issue, dedication of the leadership of the PSO and its access to duty bearers</b> of importance for the issue in question are other factors at play that influence, according to those interviewed. Many BUSAC grantees have experienced serious difficulties getting access to the relevant duty bearers when addressing topics of national significance as discussed in the section</li> </ul> </li> </ul>	<p>KIIs (grantees; BUSAC mgt.)</p> <p>Literature review (advocacy programmes)</p>

<sup>12</sup> Examples of such projects include “control of bush fires”, a topic of eight direct or indirect advocacy initiatives, a campaign against the “arbitrary felling of shea trees”, “eradication of the threat of the mango fruit fly menace”, access to basic veterinary services, “establishment of lay-bys for taxis” and handing over of an existing workshop facility to a group of women.

<sup>13</sup> Examples here relate to advocacy actions on issues such as; decentralising the business registration process; reviewing the Factory Inspectorate Act; reforming energy generation, tariff regime and quality of power supply; enacting the Consumer protection law.

<sup>14</sup> Topics in this category include “creation of a regulatory body to regulate the activities of the construction industry”, “advocacy for protection of Ghanaian industries”, “combat of counterfeit and illicit trade”, “protection against unfair competition by imported cheap poultry meat” and “advocacy on reforms in energy generation, tariff regime and quality of power supply”.

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence																																								
		on state-business relations.																																									
	What is the difference in results between national, regional and district based advocacy?	<ul style="list-style-type: none"><li>• <b>The results from the various evaluation exercises are mixed.</b> From the Evaluation grantee interviews and FGDs it appears that:<ul style="list-style-type: none"><li>○ <b>Advocacy actions addressing issues within the domain of local authorities and single advocacy issue with limited budgetary implications show the most encouraging results.</b><sup>15</sup></li><li>○ <b>Some positive results were reported at the regional level</b><sup>16</sup></li><li>○ <b>Advocacy at the national level faces various other challenges and limitations impacting on the likeliness of achieving of the intended objectives.</b> Even in situations where there is agreement on a specific issue, grantees often found it difficult to get firm commitments by ministries, departments or agencies (MDAs) to act on issue of national significance.</li></ul></li><li>• Overall, the Evaluation’s observation from the FGDs and interviews is that BUSAC has achieved the most promising results in relation to sector and industry specific issues and at the regional and district level. However, the increased attention to invitational grants addressing issue of national significance may gradually change this.</li><li>• In this sense it may be argued that BUSAC has not fulfilled the key outcome stated in the logframe ‘at the National level advocacy actions strengthen the policy, legislative, regulatory and institutional environment through simplifications, enforcements, reduced cost and burden of compliance etc. based on the core transformational issues identified [by PSDS II].</li><li>• There appear to be several reasons for this. First of all, PSDS never took off the way envisaged by the SPSD Programme Document. As a result, the PSDS has not been able to identify national level reform issues calling for attention as anticipated. Secondly, while BUSAC can provide expertise and financial resources, it is for the PSOs to spearhead the national policy dialogue and the reform process. Thirdly, the political climate plays an important role for the extent to which the private sector is seen as the driving force of economic development. This indicates that what BUSAC has achieved in terms of national level reforms is probably close to what is achievable under the prevailing circumstances.</li><li>• The results of national, regional and district based advocacy, based off the database of 644 completed projects is shown in the table below. The statistical results outcome for the complete database does not correlate the findings of the interviews and FGDs, due to sampling bias in the selection of the projects chosen for in-depth analysis, but there were no differences in the assessment of achievement at the individual project level between the database and the in-depth findings. The performance of national level projects appears <b>to be better</b>.</li></ul> <p><b>Table: 644 completed BUSAC projects by BUSAC phase, by achievement at district, regional and national level.</b></p> <table><tr><th></th><th colspan="4">BUSAC I</th><th colspan="4">BUSAC 2</th><th></th></tr><tr><th>Objective</th><th>Dist.</th><th>Reg.</th><th>Nat’l</th><th>Total</th><th>Dist.</th><th>Reg.</th><th>Nat’l</th><th>Total</th><th></th></tr><tr><td>Achieved</td><td>30%</td><td>40%</td><td>46%</td><td>131</td><td>47%</td><td>35%</td><td>40%</td><td>122</td><td>253</td></tr><tr><td>Partially Achieved</td><td>37%</td><td>45%</td><td>34%</td><td>137</td><td>38%</td><td>56%</td><td>46%</td><td>120</td><td>257</td></tr></table>		BUSAC I				BUSAC 2					Objective	Dist.	Reg.	Nat’l	Total	Dist.	Reg.	Nat’l	Total		Achieved	30%	40%	46%	131	47%	35%	40%	122	253	Partially Achieved	37%	45%	34%	137	38%	56%	46%	120	257	KIIs (grantees)  FGDs (grantees)  KIIs (duty bearers)  Fund Portfolio analysis (e.g. Of M&E results)
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<sup>15</sup> All three focus group meetings the grantees reported that the environment for doing business at the community, district and municipal level in most cases had improved somewhat due to the effect of the advocacy action, especially in relation to agriculture-related activities, although many of the general challenges remain such as access to finance, irregular power supply and corruption.

<sup>16</sup> For example, bush fires, felling of trees and control of various plant and animal diseases, following BUSAC supported advocacy actions.

Core Evaluation Question	Sub-Question	Findings										Main sources of evidence																																																																										
		<table><tr><td>Not Achieved</td><td>33%</td><td>15%</td><td>20%</td><td>94</td><td>16%</td><td>9%</td><td>14%</td><td>40</td><td>134</td></tr><tr><td>Grand Total</td><td>186</td><td>78</td><td>98</td><td>362</td><td>174</td><td>43</td><td>65</td><td>282</td><td>644</td></tr></table> <p>Source; BUSAC Fund data base.</p> <ul style="list-style-type: none"><li>There were noticeable improvements in BUSAC II over performance in BUSAC I for district level projects and this is attributed to the increased success of FBO projects, where more effort was placed in BUSAC II see the table below. Regional projects appear to fail less often than national or district level projects.</li></ul> <p>Table: Reported achievements on District Level Projects by type of grantee in BUSAC I and BUSAC II</p> <table><tr><td></td><td colspan="4">BUSAC I</td><td colspan="4">BUSAC II</td></tr><tr><td></td><td>Achieved</td><td>Partial</td><td>Fail</td><td>Total</td><td>Achieved</td><td>Partial</td><td>Fail</td><td>Total</td></tr><tr><td>Business Association</td><td>31%</td><td>36%</td><td>33%</td><td>112</td><td>44%</td><td>38%</td><td>18%</td><td>87</td></tr><tr><td>FBO</td><td>30%</td><td>30%</td><td>40%</td><td>43</td><td>57%</td><td>35%</td><td>8%</td><td>72</td></tr><tr><td>Media</td><td>27%</td><td>55%</td><td>18%</td><td>11</td><td>50%</td><td>50%</td><td>0%</td><td>2</td></tr><tr><td>Labour union</td><td>21%</td><td>47%</td><td>32%</td><td>20</td><td>8%</td><td>54%</td><td>38%</td><td>13</td></tr></table>										Not Achieved	33%	15%	20%	94	16%	9%	14%	40	134	Grand Total	186	78	98	362	174	43	65	282	644		BUSAC I				BUSAC II					Achieved	Partial	Fail	Total	Achieved	Partial	Fail	Total	Business Association	31%	36%	33%	112	44%	38%	18%	87	FBO	30%	30%	40%	43	57%	35%	8%	72	Media	27%	55%	18%	11	50%	50%	0%	2	Labour union	21%	47%	32%	20	8%	54%	38%	13	
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Variations of effects	What is the difference in results between small, semi-formal PSOs and the large, well-established organisations?	<ul style="list-style-type: none"><li>The data collated by BUSAC does not easily distinguish between these three categories.<sup>17</sup></li><li>An alternative analysis that might provide information relates to the issues subject to the advocacy, which assumes that national level advocates are better endowed than those operating at district level. The data does not distinguish between district chapters of regional or national organisations and semi-formal PSOs. The results by level, using Irwin Grayson data, are shown in the table below.</li></ul> <p>Table: Median composite indices for national, regional and district associations</p> <table><tr><td></td><td>No. of grantees</td><td>Median Baseline Irwin Grayson assessment</td><td>Median Post grant project Irwin Grayson assessment</td><td>Change</td></tr><tr><td>National</td><td>59</td><td>53.93</td><td>61.07</td><td>+7.13</td></tr><tr><td>Regional</td><td>38</td><td>50.37</td><td>62.83</td><td>+12.47</td></tr><tr><td>District</td><td>176</td><td>39.60</td><td>56.77</td><td>+17.17</td></tr></table> <ul style="list-style-type: none"><li>This analysis suggests that grantees operating on district level have improved their advocacy capacity comparatively more than national or regional advocacy grantees. Evidence from the Evaluation grantee interviews tends to support this contention. FBOs and a</li></ul>											No. of grantees	Median Baseline Irwin Grayson assessment	Median Post grant project Irwin Grayson assessment	Change	National	59	53.93	61.07	+7.13	Regional	38	50.37	62.83	+12.47	District	176	39.60	56.77	+17.17	Irwin Grayson capacity analysis  KIIs (grantees; duty bearers)																																																						
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<sup>17</sup> As a proxy, membership numbers might be used to distinguish large well-established organisations but the analysis of the Irwin Grayson database suggests that there is no consistency measure of membership, especially for national associations that have regional associations as members for example, might return the number of regional associations or alternatively the number of individual members at all levels.

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence
		<p>small, community based associations appear to have been best at achieving the intended objective of the advocacy actions. The explanations received for this are the relatively simplicity of the issue being addressed and the limited advocacy budgetary implications.</p> <ul style="list-style-type: none"> <li>• <b>Sub-sector or product-based associations such as associations of shea nut growers, livestock farmers, mango growers, taxi drivers and herbalists tend to have had a relatively high success rate</b>, suggesting that relatively, it is simpler to find and advocate for a solution for single issues of limited complexity. On the contrary, the large, well-established (umbrella) PSOs often experience difficulties achieving the desired object due to the complexity of the issue and the importance of securing consensus among numerous stakeholders. However, when successful, implementation of the agreed changes often have a bigger impact on the business environment than the single issues pursued by the smaller, local PSOs.</li> </ul>	
	Has the support to service providers and media increased their activity level, enhanced their awareness or increased their capacity regarding business environment issues?	<ul style="list-style-type: none"> <li>• <b>Service providers (BSPs) have increased their activity level and capacity.</b> BUSAC has accredited and trained 65 service providers, 20 monitors, 38 trainers and 21 due diligence and data collectors. These professionals are available to continue providing various services to all advocacy groups. The BSPs do not exclusively work for BUSAC.<sup>18</sup></li> <li>• <b>The role of BSPs has been subject to some adverse comment.</b> The interviewed grantees in general expressed appreciation of the quality of the services rendered by the BSPs stating that without their assistance the actual results would not have been achieved. However, the dominating role of the BSPs especially in relation to smaller PSOs has been subject to discussion by the Jeavco Sustainability Study, which has criticised the application process for being too much BSP-driven (p. 13). The 2012 Danida SPSD II Review also noticed that there is a tendency among BSPs to seize the application process and to generously assign time for themselves in the budget.</li> <li>• <b>Interviews with media representatives and other grantees demonstrate that the media has increased activity levels, enhanced awareness and increased capacity on business environment issues.</b> The media play two distinct roles in relation to private sector advocacy. On the one hand, as part of the standard procedure for all advocacy actions, a media campaign is usually included as the second step after the research has been completed, this has been paid for through the grant, raising concerns about sustainability. BUSAC has trained a number of media persons to undertake these campaigns. In addition to this, through direct cost sharing grants, BUSAC has financed a series of training events for journalists from existing media in order to sensitise these about the situation and challenges of the private sector in Ghana.<sup>19</sup></li> <li>• Furthermore, BUSAC has provided funding to several FM stations to conduct media-based advocacy campaigns on specific topics such as child labour, conditions of business women, land issues and unfair competition. A representative for Ghana Journalists' Association stated that the grant has provided an opportunity to improve economic and financial reporting skills of 100 journalists, made up of 70 general reporters and 30 economic reporters to improve their skills in the reporting of economic and financial issues. He found that "the grants have had a tremendous effect on the way the situation of the private sector, especially SMEs, is addressed by the media"<sup>20</sup>.</li> </ul>	<p>Documentation review (BUSAC; studies - Jeavco)</p> <p>KIIs (BUSAC mgt.)</p> <p>Comparative analysis (other advocacy programmes)</p> <p>KIIs (grantees)</p>

<sup>18</sup> Some also work for the Skills Development Fund, another sub-component under SPSD II.

<sup>19</sup> For example, "Using the media to promote Small Scale Business concerns", "Advocacy for Anti-Corruption Reforms", "Advocacy for the Transparency in the Distribution of Land" and "Using Sustainable Radio and Television Platforms to Articulate the Concerns of Business".

<sup>20</sup> The Ghana Journalists' Association has received two grants: 'Using the media to promote Small Scale Business concerns' and 'Using Sustainable Radio and Television Platforms to Articulate the Concerns of Business'.

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence
Effect on government	What role did business advocacy supported by BUSAC play in the process of promoting, formulating and approving new regulations or practices related to the business environment in Ghana?	<ul style="list-style-type: none"> <li>BUSAC lists 40 projects where policies, laws and legislative instruments have been passed, of which 29 have been implemented. A further 124 projects deal with law changes that are in process.</li> <li>On the other hand, no more than four out of the 36 interviewed PSO representatives could point out specific regulatory reforms or practices attributable to BUSAC that have had a general positive impact on the business environment in Ghana. The typical answers was that BUSAC has had a positive effect in terms of the sector or industry specific issues addressed but that the general business environment remains rather difficult as suggested by the findings listed under the evaluation question concerning the World Bank DB indicators.</li> <li>Several interviewed stakeholders attributed the generally disappointing results in terms of improvement of the national business environment to the fact that the government for several years has been facing serious budgetary constraints and the government's mixed view on the private sector as the engine of economic development.</li> <li>The conditions for individual businesses within specific industries and sub-sectors of the economy are believed to have improved as a result of advocacy actions supported by BUSAC, evidenced by findings of the UCC impact study, although this Evaluation has some issues with the methodology in that study (reported in main text). In general the more sector or industry specific, the more likely the changes are to be attributed to BUSAC, as the number of affected stakeholders is less.</li> </ul>	<p>Fund Portfolio analysis (e.g. BUSAC M&amp;E system)</p> <p>KII (grantee; duty bearers)</p> <p>Case studies</p> <p>Document review (economic studies; BUSAC studies)</p>
	To what extent did the results of BUSAC feed into government thinking?	<ul style="list-style-type: none"> <li><b>The results of BUSAC to a large extent are felt at the community and district levels and to a more limited extent at the national level.</b> The district, and to a lesser extent the regional administrations therefore tend to acknowledge the results of BUSAC funded advocacy more since they tend to have more direct dealings with the advocating associations and take most decisions. Examples would include the issue of Fulani herdsmen which is currently being addressed by the Tamale Metro Chief Executive and the Tamale Central Market.</li> <li><b>At the national level, BUSAC grantees have not had the same impact</b> with the exception of a few instances such as the Ghana National Chamber of Commerce and Industry (GNCCI) successfully advocating for a reduction in ancillary taxes impacting businesses. In others, influential leadership is not supported by strong institutional capacity. The lack of impact might arise from the lack of programme support to operationalise and implement the government's strategy and the present government's mixed opinion about the private sector and financial constraints the government has faced and continues to face.</li> <li>As discussed under relevance to Ghana, <b>the importance of the idea of business sector advocacy challenge fund was recognised under PSDS I and the GoG was willing to allow the pilot before the approval of the strategy.</b> The GoG agreed to support the development and launch of the fund, monitor the fund and assessment impact and develop or expand the fund based on experience.</li> <li><b>As time has elapsed though, the commitment, evidenced by government involvement, has waned</b> and it is no longer placed in an active government strategic framework. The present government appears to have a less enthusiastic view on the role of the private sector in the development of Ghana than its predecessor. The slow implementation of the SPDS II is an indication of this. Although the importance of quality advocacy is widely acknowledged by senior GoG officials, it appears to have become more difficult to secure their commitment to the issues at stake, especially when this has cost implications.</li> </ul>	<p>Fund Portfolio analysis</p> <p>KIIs (grantees)</p> <p>FGDs (grantees)</p> <p>Document review (Govt.)</p> <p>KIIs (duty bearers; BUSAC mgt.)</p>
	To what extent	<ul style="list-style-type: none"> <li><b>There is strong evidence from an analysis of the Irwin Grayson questionnaires to support the contention that BUSAC II's grant</b></li> </ul>	Irwin Grayson



Core Evaluation Question	Sub-Question	Findings	Main sources of evidence																																										
	did BUSAC stimulate advocacy actions that would not otherwise have occurred?	<p><b>funding was a pre-requisite for the vast majority of BUSAC II's grantees, with exceptions perhaps for larger, well established advocating organisations.</b> Larger associations interviewed by the Evaluation did however report difficulties in funding research.</p> <ul style="list-style-type: none"><li>• <b>As noted above very few grantee associations can now afford to advocate to full BUSAC standards without financial support.</b> Using data from the Irwin Grayson capacity tool, the Evaluation suggests that with a median grant size in BUSAC II of GHS 48,600, and using a rule of thumb that associations could afford to spend 20% of their annual income to advocate a single issue, then only 5.1% of applicants in BUSAC II could afford to advocate without a grant, and 3.9% were both in this category and making a surplus at the date of application. A further 2.6% might be able to afford to advocate based on reporting a large surplus. 84.5% of applicants have annual income smaller than the cost of a single advocacy exercise.</li></ul> <p><b>Table: Self-reported financial condition of 690 applicants to BUSAC II</b></p> <table><tr><th>Annual income band (GHS)</th><th>Total</th><th>Large loss</th><th>Small loss</th><th>Breakeven</th><th>Small surplus</th><th>Large surplus</th></tr><tr><td>&gt;1M</td><td>1.2%</td><td>0.0%</td><td>0.3%</td><td>0.0%</td><td>0.6%</td><td>0.3%</td></tr><tr><td>250K-1M</td><td>3.9%</td><td>0.3%</td><td>0.6%</td><td>0.0%</td><td>1.3%</td><td>1.7%</td></tr><tr><td>50K-250K</td><td>10.4%</td><td>0.4%</td><td>1.0%</td><td>1.9%</td><td>4.5%</td><td>2.6%</td></tr><tr><td>&lt;50K</td><td>84.5%</td><td>4.7%</td><td>13.3%</td><td>6.2%</td><td>25.2%</td><td>35.1%</td></tr><tr><td></td><td>100.0%</td><td>5.4%</td><td>15.2%</td><td>8.1%</td><td>31.6%</td><td>39.7%</td></tr></table> <ul style="list-style-type: none"><li>• <b>More than 30 of the interviewed PSOs (approximately 80%) stated that without the support by BUSAC they would not have been able to undertake the advocacy action in question.</b> The Evaluation focus group discussions (FGDs) confirmed this picture. It is evident from Table and from 100% of Evaluation interviews that for the smaller local associations the funding by BUSAC was a precondition for the advocacy action. For the larger national associations such as Association of Ghana Industries (AGI), Ghana Employers Association (GEA) and the Peasant Farmer's Association advocacy and lobbying is part of their routine activities. The difference for the latter seems to be that the funding from BUSAC allowed the advocacy action to be more a focused and better founded on evidence.</li><li>• <b>The need for a grant was evident even for associations representing economic sectors where members are well resourced.</b> The response by AGI, GEA and PEF, amongst others, was that although they have some of Ghana's biggest and most resourceful companies among the members, the organisations' financial resources are insufficient to pay for the research to support the advocacy issue. Research appears to be the most expensive item of the budget of most BUSAC grants to these larger organisations.</li><li>• The Jeavco Sustainability Study notes that 'A critical aspect of sustainability is funding and institutional capacity however, <b>most PSOs are not willing to commit funding to advocacy. The only source of funding for most associations is through membership dues. However, members do not pay dues because they do not see benefits from the association.</b> They will therefore not be able to pay for the services of a consultant without BUSAC support' (p. 23)</li></ul>	Annual income band (GHS)	Total	Large loss	Small loss	Breakeven	Small surplus	Large surplus	>1M	1.2%	0.0%	0.3%	0.0%	0.6%	0.3%	250K-1M	3.9%	0.3%	0.6%	0.0%	1.3%	1.7%	50K-250K	10.4%	0.4%	1.0%	1.9%	4.5%	2.6%	<50K	84.5%	4.7%	13.3%	6.2%	25.2%	35.1%		100.0%	5.4%	15.2%	8.1%	31.6%	39.7%	Analysis  KIIs (grantees)  FGDs (grantees)  Document review (BUSAC reviews – e.g. Jeavco)
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Efficiency																																													
Value for Money	Was the BUSAC	• <b>The results of the Evaluation are mixed.</b> BUSAC II management generally performed well in providing an efficient process for	VfM analysis																																										

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence						
	programme operated in line with best value for money practices?	<p>awarding and managing grants, but missed valuable opportunities to improve efficiency and effectiveness as detailed in Annex F.</p> <ul style="list-style-type: none"><li>• The Evaluation questions whether grants to organisations that are not sustainable and that deal with issues that have little or no economic impact represent an effective use of donor funds.</li><li>• The Evaluation found that Danida performed well against opportunities to demonstrate VfM.</li></ul>							
	To what extent did the processes, procedures and practices of Danida and the challenge fund governance and management provide evidence of attempts to realise economy, efficiency, effectiveness and equity from a value for money perspective?	<ul style="list-style-type: none"><li>• <b>In general, where such opportunities to demonstrate VfM were practiced, Danida and the BUSAC Fund Manager performed well against the benchmark</b>, with five practices assessed as “best practice”, 15 as “good practice” and only two practices considered “below par”, relating to the use of a standard grant percentages rather than assessment of grant need, and evaluating the grant size against expected impact on log-frame indicators. 13 of the 43 opportunities were not practiced providing some consideration for future programming (see Annex F).</li><li>• <b>Danida adhered to best practice in the conduct of the competition to select the fund manager (economy) and in funding an independent impact evaluation (effectiveness and equity).</b> The BUSAC governance and management structures were structured to align accountability with responsibilities and job descriptions were clear and documented (efficiency and effectiveness). Grants were awarded to grantees that were assessed as managerially competent (effectiveness) and grants were structured to ensure relevant conditionalities were met (economy).</li><li>• <b>However, in BUSAC I and the competitive rounds of BUSAC II grants were awarded according to fixed cost sharing formula</b> that did not take into account the financial capacity of grant applicants, (efficiency) and the selection process did not take into account applicant financial contribution as a marking criterion except to determine the capacity of the grantee to provide its 10% share of funding.</li><li>• <b>The BUSAC II Fund Manager adopted some challenge fund processes that demonstrate improved value for money over BUSAC I processes</b>, particularly in raising the qualifying mark for concepts and in focussing later calls for proposals on priority thematic areas.</li><li>• <b>There were a number of opportunities to adopt challenge fund process that demonstrate VfM that were missed</b>, the most critical of which is the assessment of the likely economic additionality of grant projects as part of the selection and marking criteria, which could have significantly increased effectiveness and equity. With economic additionality, an assessment is made of the likely economic impact of the grant programme, and this might favour projects which lead to import substitution, which directly favour beneficiary groups, and which do not divert resources from other economic programmes. The decision not to ration grant funds based on demonstrated need represented poor VfM, with relatively rich associations receiving 90% cash grants.</li><li>• <b>The management costs associated with running a facility providing a large number of grants is high compared to the total value of grants, but the ratio of non-grant costs to facility costs provides for good VfM economy benchmarked against similar facilities.</b></li></ul> <p><b>Table: BUSAC II costs</b></p> <table><tr><th>USD millions</th><th>Budget</th><th>Actual to May 2014</th></tr><tr><td>Total BUSAC II facility cost</td><td>19.83</td><td>17.28</td></tr></table>	USD millions	Budget	Actual to May 2014	Total BUSAC II facility cost	19.83	17.28	<p>VfM analysis</p> <p>KIIs (BUSAC mgt.)</p> <p>Comparative analysis with other challenge funds</p>
USD millions	Budget	Actual to May 2014							
Total BUSAC II facility cost	19.83	17.28							

Core Evaluation Question	Sub-Question	Findings			Main sources of evidence																															
		<table><tr><td>Grants</td><td>12.90</td><td>11.62</td></tr><tr><td>Non grant costs</td><td>6.93</td><td>5.66</td></tr><tr><td>% of non-grant costs to total cost<sup>21</sup></td><td>34.9%</td><td>32.8%</td></tr></table> <p>Source: BUSAC Management</p> <p>• <b>At 32.8% overhead to total facility, BUSAC II performed well against similar large grant providing programmes.</b> It is not reasonable to benchmark BUSAC’s overhead costs against other challenge funds which tend to give small numbers of much larger grants. Instead, BUSAC is benchmarked against two World Bank export grant facilities that provided matching grants to exporters to fund technical assistance and an EU Sub-Saharan Africa matching grant scheme for businesses. Information from the World Bank and EU projects was taken from their project completion reports and a challenge fund benchmarking exercise.<sup>22</sup></p> <p><b>Table: Comparative study of BUSAC against other similar facilities</b></p> <table><tr><th>Fund</th><th>Non grant cost as a % of fund value</th><th>Typical grant size USD 000’s</th><th>Number of projects</th></tr><tr><td>WB- First Indonesia Export Development project<sup>23</sup></td><td>32%</td><td>10-100</td><td>685</td></tr><tr><td><b>BUSAC II</b></td><td><b>32.8%</b></td><td><b>8-40</b></td><td><b>325</b></td></tr><tr><td>WB – Kenya Export project (KEAS)<sup>24</sup></td><td>36%</td><td>7</td><td>603</td></tr><tr><td>EU ACP Business Assistance Scheme<sup>25</sup></td><td>42%</td><td>25</td><td>893</td></tr><tr><td>Ghana STAR programme</td><td>22.6%</td><td>117</td><td>155<sup>26</sup></td></tr></table> <p>• <b>It is noteworthy that BUSAC II performs well considering cost inflation since the 1990s when the other benchmark programmes were operating.</b> This reflects the careful use of in-country resources for due diligence and project progress reporting and the non-cost elements provided by business service providers, which carried out grant origination services on a contingency basis.</p> <p>• <b>The average non-grant cost per BUSAC II grant equates to USD 21,900 (approximately GHS 50,000), and this Evaluation</b></p>	Grants	12.90	11.62	Non grant costs	6.93	5.66	% of non-grant costs to total cost <sup>21</sup>	34.9%	32.8%	Fund	Non grant cost as a % of fund value	Typical grant size USD 000’s	Number of projects	WB- First Indonesia Export Development project <sup>23</sup>	32%	10-100	685	<b>BUSAC II</b>	<b>32.8%</b>	<b>8-40</b>	<b>325</b>	WB – Kenya Export project (KEAS) <sup>24</sup>	36%	7	603	EU ACP Business Assistance Scheme <sup>25</sup>	42%	25	893	Ghana STAR programme	22.6%	117	155 <sup>26</sup>	
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<sup>21</sup> Non grant costs include the cost of the management contract, the costs of the steering committee, costs of national subcontractors for providing grant project monitoring services, financial training and other capacity building initiatives and external evaluation.

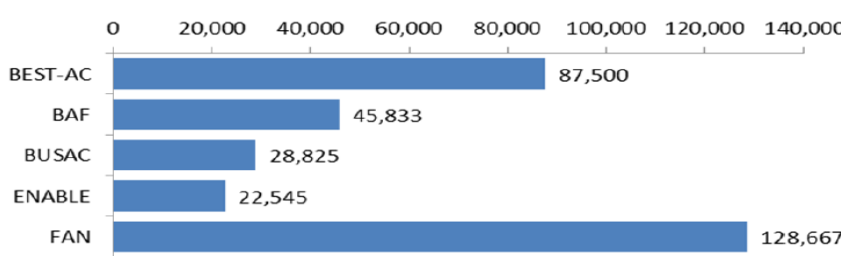
<sup>22</sup> : Bester, H. (2010) Benchmarking the Africa Enterprise Challenge Fund, May 2010.

<sup>23</sup> World Bank. 1993. Indonesia - First and Second Export Development Projects. Washington, DC: World Bank. <http://documents.worldbank.org/curated/en/1993/07/727863/indonesia-first-second-export-development-projects>.

<sup>24</sup> World Bank. 1995. Kenya - Export Development Project. Washington, DC: World Bank. <http://documents.worldbank.org/curated/en/1995/06/733840/kenya-export-development-project>

<sup>25</sup> Integration – Final Evaluation of the EBAS Programme 2005 accessed at [http://www.value-chains.org/dyn/bds/docs/434/EBAS%20Draft%20Final%20Report%20\(without%20TOR\).pdf](http://www.value-chains.org/dyn/bds/docs/434/EBAS%20Draft%20Final%20Report%20(without%20TOR).pdf)

<sup>26</sup> Based on STAR Ghana annual reports for the first two years of operations. Year 1 106 grants valued at USD 10.635 million and in year 2, 49 grants worth USD 7.5 million.

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence												
		<p><b>questions whether the benefits for smaller grant projects can ever justify this cost.</b> The operating model for BUSAC grants suggests a relatively flat cost base per grant, with grant-related activities for due diligence, grant contracting, grant accounting, grant payment service and grant project monitoring generally the same regardless of grant size. The median grant size for BUSAC overall is GHS 35,476, for BUSAC I was GHS 22,367 and in BUSAC II GHS 48,600. Two thirds of all grants were for less than GHS 50,000.</p> <ul style="list-style-type: none"><li>• An earlier comparison had been carried out between BUSAC and other donor-supported advocacy grant facilities that confirmed the small size of BUSAC grants<sup>27</sup>, see the Figure below.</li></ul> <p><b>Figure: – Average grant size for business advocacy programmes</b></p> <p>The average grant size varies by 5X between funds. FAN’s figure is perhaps an outlier as grant making is only starting now. BUSAC has the smallest average grant size: it is making a large number of small grants.</p> <p><b>Figure 6: Average grant size</b></p>  <table><tr><th>Fund</th><th>Average Grant Size (GHS)</th></tr><tr><td>BEST-AC</td><td>87,500</td></tr><tr><td>BAF</td><td>45,833</td></tr><tr><td>BUSAC</td><td>28,825</td></tr><tr><td>ENABLE</td><td>22,545</td></tr><tr><td>FAN</td><td>128,667</td></tr></table>	Fund	Average Grant Size (GHS)	BEST-AC	87,500	BAF	45,833	BUSAC	28,825	ENABLE	22,545	FAN	128,667	
Fund	Average Grant Size (GHS)														
BEST-AC	87,500														
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BUSAC	28,825														
ENABLE	22,545														
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Timely Implementation	Were implementation milestones for BUSAC defined and were they met?	<ul style="list-style-type: none"><li>• <b>Activity milestones were set and largely adhered to in BUSAC I. Where there were slippages, these were handled through proactive management effort.</b> In BUSAC I there was a strong culture of activity planning and the BUSAC I fund manager was held accountable for performance against agreed timetables of events, and for rectification plans.</li><li>• <b>There was no time gap between BUSAC I and II, and with the same fund manager selected for BUSAC II who retained many of the staff from BUSAC I and this allowed for a relatively seamless transition between the two phases.</b> The BUSAC II managers appeared to have had less implementation delays than experienced in BUSAC I, probably reflecting the experience gained by the team in BUSAC I, coupled with practice and strong operational management.</li></ul>	Document review (BUSAC)  KIIs (BUSAC mgt.)												
	What explains differences between planned and	<ul style="list-style-type: none"><li>• <b>In BUSAC I the majority of delays were due to greater than anticipated demand for grants.</b> There were delays of in some key activities related to the processing of concepts received under calls for proposal round, especially on assessing concept notes, leading to delays of one month in presenting to the BUSAC board (round 3), and a one month delay in carrying out due diligence in rounds 2 and 3. Knock on delays put the implementation dates for early rounds back up to six months. There were more lengthy delays (approximately</li></ul>	Document review (BUSAC)												

<sup>27</sup> Danida African Business Advocacy Network Conference Report, September 2012.

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence																																																																																																
	actual timing?	<p>three months) in the introduction of the project monitoring system in 2005. Rectification activities created by additional level of effort took place in 2006 although round 6 and 7 concept note reviews also took longer than anticipated because of the heavy demand for grants, again leading to one month delays in the presentation of concept to the BUSAC Board. Activity plans in 2006 to introduce communications with national level business associations was also significantly delayed. In 2007, there was a significant backlog of project reporting causing implementation delays due to blockages in the monitoring process.</p> <ul style="list-style-type: none"><li>• <b>In BUSAC II, the main delays were experienced in the second and third calls for proposals</b>, where timetables slipped by three months in the case of round 2 and six months in the case of round 3. These delays were a result of significant demand for grants and the very high level of grants approved. See table below. There were issues relating to the issuance of contracts for short term technical experts that had knock on impacts for some activities in 2010 including monitoring and evaluation implementation and the appointment of the communications, marketing and branding expert.<sup>28</sup></li></ul> <p><b>Table: Calls for proposals in BUSAC I and II</b></p> <table><tr><th>Batch/Calls</th><th>Threshold mark</th><th>Concepts received</th><th>Applications Received</th><th>Funded concepts</th><th>% of concepts funded</th></tr><tr><td>BUSAC I Batch 0</td><td>65</td><td></td><td>39</td><td>13</td><td>33%</td></tr><tr><td>1</td><td>65</td><td></td><td>81</td><td>31</td><td>38%</td></tr><tr><td>2</td><td>60</td><td></td><td>142</td><td>24</td><td>17%</td></tr><tr><td>3</td><td>54</td><td></td><td>115</td><td>30</td><td>26%</td></tr><tr><td>4</td><td>55</td><td></td><td>99</td><td>34</td><td>34%</td></tr><tr><td>5</td><td>65</td><td></td><td>128</td><td>33</td><td>26%</td></tr><tr><td>6</td><td>65</td><td></td><td>164</td><td>13</td><td>8%</td></tr><tr><td>7</td><td>65</td><td></td><td>173</td><td>34</td><td>20%</td></tr><tr><td>8</td><td>65</td><td></td><td>169</td><td>35</td><td>21%</td></tr><tr><td>9</td><td>70</td><td></td><td>196</td><td>82</td><td>42%</td></tr><tr><td>10</td><td>72</td><td></td><td>256</td><td>33</td><td>13%</td></tr><tr><td>BUSAC II – other grants</td><td></td><td>Concept notes Received</td><td>Applications Received</td><td>33</td><td></td></tr><tr><td>1</td><td></td><td>332</td><td></td><td>100</td><td>30%</td></tr><tr><td>2</td><td></td><td>442</td><td></td><td>165</td><td>37%</td></tr><tr><td>3</td><td></td><td>535</td><td></td><td>68</td><td>13%</td></tr></table>	Batch/Calls	Threshold mark	Concepts received	Applications Received	Funded concepts	% of concepts funded	BUSAC I Batch 0	65		39	13	33%	1	65		81	31	38%	2	60		142	24	17%	3	54		115	30	26%	4	55		99	34	34%	5	65		128	33	26%	6	65		164	13	8%	7	65		173	34	20%	8	65		169	35	21%	9	70		196	82	42%	10	72		256	33	13%	BUSAC II – other grants		Concept notes Received	Applications Received	33		1		332		100	30%	2		442		165	37%	3		535		68	13%	KIIs (BUSAC mgt.)
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<sup>28</sup> Plans for some periphery activities were also shelved in 2011 because of the demand for grants. These included networking, peer-to-peer grantee sessions, and planned links the ENABLE programme in Nigeria.

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence
BUSAC Management	How effective has been the direction and oversight of BUSAC?	<ul style="list-style-type: none"> <li>• <b>The direction and oversight of BUSAC I was almost totally in the hands of the three donors, Danida, DFID and USAID with insufficient strategic input from Ghanaian representatives. It was also largely reactive to events.</b> The BUSAC I final review found that the governance mechanisms for BUSAC did not appear to be provide optimum strategic guidance and oversight. A working BUSAC I steering committee comprised representatives of the donors, and these representatives were also observers to the BUSAC Board. The Board comprised three representatives of media, private sector and labour. The steering committee comprised five members, four of whom were nominated from time to time by the three donors and the Ministry for Private Sector Development, and a specific representative from the private sector.</li> <li>• The latter did not attend meetings after 2006, and the government was not represented at all meetings. Turnover of donor staff who fulfilled the donor member role may have led to a lack of institutional memory. Meetings, initially were planned to match the call for proposal cycle, but in fact met ad-hoc according to the urgency of the agenda. Notably, two meetings of the steering committee were chaired by the BUSAC fund manager, which is against best practice, although no decisions relating to grant approvals were made at those meetings. The topics considered by the steering committee are appropriate at that level.</li> <li>• <b>The governance for BUSAC II provided a very different face, with a much greater involvement of Ghanaian stakeholders and a more proactive stance.</b> BUSAC II steering committee members largely served throughout the life of the programme. BUSAC II was designed to have a steering committee comprising four individual members representing private sector interests, two members representing government ministries, and three representing the three BUSAC II donors (Danida, USAID and EU). A subcommittee to approve grants was set up of primarily Ghanaian stakeholders and this core group served unchanged for a majority of the approvals. Representation by government departments was again sporadic, and part of the reason is likely to relate to the lack of attendance incentives. Despite the large number of agenda items at the selection subcommittee, the minutes reflect proactivity and good process. At the steering committee the topics considered again were appropriate at that level.</li> </ul>	<p>Document review (BUSAC)</p> <p>KIIs (BUSAC mgt.; donors)</p>
	Is the monitoring and evaluation system informing management decisions?	<ul style="list-style-type: none"> <li>• Overall monitoring has influenced BUSAC strategy. Management has always monitored the progress of projects and reported on this to the Steering Committee. This influenced the design of BUSAC II and other strategic decisions.</li> <li>• <b>BUSAC's monitoring and evaluation capability has evolved over the life of BUSAC, but has been playing catch-up with the advances in donor standards on evaluation and attribution.</b> It is understood that BUSAC still faces challenges to demonstrate or measure attributable impact.</li> <li>• <b>In order to demonstrate value for money, project progress monitoring was devolved relatively early during BUSAC I</b>, and this devolved function, although designed well, produced patchy reporting by the monitors, to the point that progress on a number of individual grant projects were delayed as fund advances were contingent on receiving progress reports. The quality of monitoring reports from the devolved monitors was relatively poor in BUSAC I and a number of completion reports relating to the latter stages of BUSAC I were either lost or not completed. The logical structure of BUSAC I (outputs and purpose) did not have verifiable performance measures.</li> <li>• <b>Issues around monitoring were acknowledged and the final meeting of the BUSAC I steering committee called for the early adoption of certain changes and incorporation in the design for BUSAC II.</b> The changes included: a revised logframe in BUSAC II with performance indicators at each level; a programme budget linked to the logframe; a monitoring and evaluation system that responds to the logframe and be the basis for a knowledge management system; the introduction of an advocate capacity measurement tool; and</li> </ul>	<p>Document review (BUSAC)</p> <p>VfM/Process analysis</p> <p>KIIs (BUSAC mgt.; donors)</p>

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence
		<p>changes to the management and simplification of the monitoring processes.</p> <ul style="list-style-type: none"> <li>• In BUSAC II many of these changes were adopted. An M&amp;E “Framework and Systems” manual was adopted that provided that clearly delineated roles and responsibilities for the monitoring and evaluation functions, responsibilities for collecting and sources of logframe indicators; the detailed design of the capacity diagnostic tool; and grantee and monitor reporting templates.</li> </ul>	
	What arrangements have been put in place to identify best management practices, and how effectively have they been implemented?	<ul style="list-style-type: none"> <li>• There are no formal arrangements in place to identify best management practices, although there have clearly been improvements in management over the course of BUSAC’s life and the improvements have been effective. The main process for improvement has been the application of “learning by doing” and quality control exercised by COWI, the management contractor.</li> <li>• Based on the Evaluation Team’s experience, best management practices in the challenge fund context relate to providing qualified management resources at a price that reflects good value for money, providing competitive call for proposal rounds in accordance with an agreed timetable, providing quality selection processes, due diligence, strong contracting arrangements, effective monitoring arrangements, and strong and transparent financial controls over grant disbursements.</li> <li>• <b>As discussed above BUSAC management has provided suitable VfM but have missed some now-commonly used techniques in challenge fund management for demonstrating VfM.</b></li> <li>• <b>The response of management to issues and the application of learning by doing have served the programme well in both BUSAC I and II.</b> At the commencement of BUSAC I, the management norms for challenge funds were not established. Management of the competitive element of the challenge was acceptable in terms of timetabling, with minor delays due to unforeseen demand for grants.</li> <li>• The selection process provides a clear and acceptable methodology especially on marking against eligibility and selection criteria, and the process workable given the demand for grants. The idea to start the programme with a smaller region and for a later national roll-out also provided a sensible compromise in terms of the unknown demand for grant. The introduction early in BUSAC I of an annual work plan prepared by the manager and agreed by the steering committee is good practice. Innovative management solutions around the delivery of management services, including the use of business development partners, the introduction of trained part-time due diligence experts and evaluators, supplementing a core team also provided a sensible balancing of resources. Issues that arose during the course of BUSAC I led to changes in the management approach, and these issues improved the management of the programme, notably on quality control over part time resources; an audit of BSPs leading to a reassessment of their role and those approved for the task; the introduction of improved fund awareness raising techniques; the development of monitoring and evaluation tools and techniques.</li> <li>• BUSAC II followed similar management lines with the introduction of the Irwin Grayson capacity tool; further improvements to monitoring and evaluation; improved outreach; use of case studies, etc.</li> </ul>	<p>Document review (BUSAC)</p> <p>VfM/Process analysis</p> <p>KIIs (BUSAC mgt.; donors)</p>
	Are BUSAC’s resource needs met, periodically assessed and effectively	<ul style="list-style-type: none"> <li>• <b>There were problems during BUSAC I relating to financial resources that led to approvals that committed more financial resources than were available at the time to the Manager.</b> The issue was addressed in an emergency meeting of the BUSAC Steering Committee on 13 August 2008 and resolved quickly and proactively by the donors, although this was one reason for curtailing the number of Round 10 grants to be approved. In BUSAC II, additional funding has been made available, partly as a reflection of the non-spend on other SPSP activities, but also in response to the high demand for grants.</li> </ul>	<p>Document review (BUSAC)</p> <p>VfM/Process analysis</p>

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence
	mobilised?	<ul style="list-style-type: none"> <li>• <b>In general, resource controls were suitable for a multi-donor fund</b>, with inter-donor agreements in place, and a clear management issued to COWI for both phases of BUSAC. There do not appear to have been any issues around internal or external reporting of the financial status of the project, and external audits appear to be clean.</li> </ul>	KIIs (BUSAC mgt.; donors)
	How effectively does the BUSAC management team support and guide grantee activity and facilitate lesson sharing?	<ul style="list-style-type: none"> <li>• <b>The wholesale nature of the BUSAC facility and its nationwide coverage does not lend itself to close grantee activity supervision by the management team.</b> The costs of providing this would far outweigh the benefits. Instead management operates through quality control of intermediaries especially trainers and training materials, project monitors, due diligence exercises, etc. However, BSPs from time to time have played an active role in supporting the grantees, for instance, by setting up meetings with duty bearers and taking part in these, significantly for smaller PSOs and FBOs. For instance, the three women-dominated community-based PSOs interviewed in the north-eastern region all reported that the BSP has been instrumental in making appointment on the organisations behalf and negotiating with the duty bearers. During BUSAC II attendance of training on ‘Why and How to Advocate’ has been mandatory for all grantees.</li> <li>• <b>Quality control in BUSAC I was evidenced through the response</b> to problems associated with project. Several were dismissed for non-performance. Monitors. These problems do not appear to have impacted the performance of BUSAC II which has run relatively smoothly.</li> <li>• <b>BUSAC management had not systematically facilitate lessons sharing but this is now being addressed and is high priority for the reminder of the programme.</b> BUSAC has a dedicated communication expert for the task. BUSAC has published a series of successful advocacy cases to act as a source of inspiration for other private sector organisations, duty bearers, donors as well as the general public. The success stories are used as part of advocacy training and are readily available on the BUSAC website. It is intended that the success stories will be used as part of academic curricula on business advocacy and public private dialogue.</li> </ul>	<p>Document review (BUSAC)</p> <p>VfM/Process analysis</p> <p>KIIs (BUSAC mgt.; donors)</p> <p>Comparative analysis with other funds</p>
	How efficient has BUSAC been as a means to learn and share best practices and lessons?	<ul style="list-style-type: none"> <li>• <b>BUSAC II managers have a relatively efficient methodology for lesson learning.</b> BUSAC provides an opportunity for associations, government lawmakers and decision makers to learn lessons between what has worked and what has not. Up to 2013, BUSAC shared success stories and lessons through narrative in the annual reports and on the website. The volume of unique address website hits is good for a technical site, with 1,700 unique users during January-May 2013 of which 50% were returning users (Google Analytics, 2013), suggesting an efficient method of broadcasting. In 2013 BUSAC managers commenced a more intensive process that looked at sectoral and sub-sectoral issues and drew out lessons in order to further inform debate but also to encourage partnerships between advocacy organisations. This was done through workshops with key advocacy stakeholders.</li> <li>• <b>BUSAC management introduced a system to share lessons from failures, primarily to inform processes but also avoid repetition.</b> Management held annual meetings with BSPs and monitors to share experience from failures and with the Steering Committee to provide insight and advice for the selection of grant projects. Simple “do’s and don’ts” based on experiences in the past are shared with applicants. The Fund Manager plans to make available comprehensive lessons learned to be shared with a wider audience including donors.</li> </ul>	<p>Document review (BUSAC)</p> <p>KIIs (BUSAC mgt.; donors)</p> <p>KIIs (grantees)</p>
	How effectively have risks been managed?	<ul style="list-style-type: none"> <li>• <b>Risk management was a focus of BUSAC I activities.</b> Risks were outlined in the BSPS component description document and management reported against its risk management in annual reports. The Danida end of programme review found that all of the main risks that were identified as part of the design did not occur, although it is noted that some delays occurred from managing concept notes received. The risks were: i) vested interest groups may capture and dominate BUSAC ii) BUSAC is swamped by applications and becomes unmanageable iii) advocacy organisations fail to engage and apply for grants iv) the challenge fund approach results in insufficient</li> </ul>	<p>Document review (BUSAC)</p> <p>VfM/Process analysis</p>



Core Evaluation Question	Sub-Question	Findings	Main sources of evidence
		<p>accountability for funds (v) the GoG fails to respond to business sector advocacy concerns.</p> <ul style="list-style-type: none"> <li>• <b>The risk profile for BUSAC II addressed business environment risks rather than those associated with internal operations. However, the risks have been realised, adversely impacting BUSAC II's objectives and partially affecting operations.</b> The design document listed the following risks <ul style="list-style-type: none"> <li>○ Poor macroeconomic management outcomes will cause private sector development to suffer and, the targeted expansion in production and employment will not be achieved. This risk has come to bear, but was outside of the control of the programme</li> <li>○ funding for BSPS II was not secured at the outset which would leave BUSAC II exposed without the support of government side interventions – again this risk has come to bear</li> <li>○ weak public sector capacity/lack of resources at the national and decentralized levels with attendant delays and ineffectiveness in implementing reform programmes – again this risk has meant that a number of BUSAC II advocacy “wins” remain unfunded</li> <li>○ GoG may also not be committed to implementing reforms – partially found to be the case</li> <li>○ the BUSAC II manager will perform as efficiently as the BUSAC I manager and that the demand experienced in the first phase will continue to drive implementation. This risk event did not occur.</li> </ul> </li> </ul>	
	Has BUSAC had appropriate human resources to carry out its activities?	<ul style="list-style-type: none"> <li>• <b>Several issues arose during BUSAC I that suggest that there were inadequate human resources at varying points of the process.</b> In particular, several key activity dates were postponed for periods of up to one month to allow for the workload to be completed. There were no adverse consequences of this. The primary reason for the shortfall in resources was the inability to forecast the numbers of concept notes that were received, a common issue in challenge funds. Several other activities in BUSAC I were postponed as discussed above.</li> <li>• <b>Some activities at the start of BUSAC II were carried out later than originally planned due to the time taken to appoint personnel.</b> The M&amp;E specialist did not join until January 2011, and activities in this area were rescheduled.</li> </ul>	KIIs with BUSAC management; BUSAC documentation review
	How efficient has BUSAC been in achieving capacity development for grantees?	<ul style="list-style-type: none"> <li>• <b>The large numbers of grants has forced the application of the advocacy capacity building model down highly efficient and economical lines, primarily through provision of training courses attended by multiple grantees.</b> The engagement model is primarily capacity building in key areas to allow effective advocacy but also to build sustainability in advocating institutions. At the institutional level, the training provided on how to advocate and financial capability strengthens capacity. Some have criticised the “one size fits all” approach, although it is difficult to see how tailoring of capacity building could be cost effective.</li> <li>• <b>The BUSAC standard advocacy engagement model has been refined during the life of BUSAC I, and efficiently applied towards the end of BUSAC I and throughout BUSAC II.</b> And this has efficiently assisted BUSAC to achieve capacity development in grantees.</li> </ul>	<p>Document review (BUSAC)</p> <p>KIIs (BUSAC mgt.)</p> <p>VfM/Process analysis</p>

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence
	To what extent did BUSAC stimulate advocacy actions that would not otherwise have occurred?	<ul style="list-style-type: none"><li>• <b>There is strong evidence to support the contention that BUSAC’s grant funding was a pre-requisite for the vast majority of BUSAC’s grantees, with exceptions perhaps for larger, well established advocating organisations.</b> The largest cost elements associated with grant projects in BUSAC I appeared to be in research (13%), purchasing media coverage and other media coverage (16%), and the advocacy dialogue (23%) and even larger associations reported difficulties in funding research.</li><li>• <b>As noted above very few grantee associations can now afford to achieve to full BUSAC standards without financial support.</b></li></ul>	VfM/Process analysis  Portfolio fund analysis  KIIs (grantees)
Impact			

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence				
	To what extent did BUSAC contribute to enhancing the general role of the private sector in the formulation and preparation of initiatives related to improving the business environment including through changing attitudes among stakeholders or government officials, through the establishment/ maintenance of public-private dialogue structures related to private sector development or in other ways?	<ul style="list-style-type: none"><li>One approach used by the Evaluation was to infer causality from testing a set of plausible causal chains (Stern et al., 2012). By setting out the programme’s results logic and the assumptions behind it, the Evaluation assessed if these assumptions held for each chain in the logic. For example, the assumption that the quality of business dialogue was a causal factor behind policy change. By testing the chain from BUSAC inputs to final impacts, it provides one set of evidence to building a credible story around the impact of BUSAC. The causal analysis is discussed in detail in Annex C.</li><li><b>The BUSAC management commissioned an impact study of BUSAC II, carried out by UCC. The Evaluation does not consider all of the conclusions as sound.</b> The study is a mixed methods study heavily <b>reliant</b> on quantitative analysis. The Evaluation has some concerns about the validity of the approach, especially around the counterfactual analysis and these issues are further discussed below. The main findings of the study are:<ul style="list-style-type: none"><li><b>BUSAC II has led to a number of changes in policy/regulatory environment in a wide range of sectors</b>, although the contribution story of what caused these changes, and the role of the grantee in influencing these is not discussed.</li><li><b>Changes have improved the business environment of individual members of BUSAC II grantees, evidence by increased grantee revenue and profits and these increases are substantially more than for non-grantees.</b> This Evaluation is sceptical regarding the methodology, primarily because of large numbers of factors that might contribute to the result, which compares different sectors and sub-sectors of the economy. The treatment of selection bias is unexplained.</li><li><b>Grantees self-report success in terms of achieving their objectives, particularly those with a national focus</b></li><li><b>The main effects on businesses were those with a national focus, particularly in agriculture and industry sectors.</b> Farmer based organisations ranked particularly high. Business in the Greater Accra Region showed evidence of greater impact.</li><li><b>Actions were considered sustainable as policy changes were being implemented, capacity has been developed in PSOs and “theirs eyes opened”; the consultancy market around advocacy had improved; and policy makers were more aware their actions are being scrutinised and targeted.</b> Much of this evidence seems to have been generated through qualitative enquiry.</li></ul></li><li><b>The UCC Impact Study found that BUSAC made a “meaningful, lasting and useful contribution” to the promotion of business, which is likely to outlive and outlast BUSAC.</b> According to the study BUSAC has “opened the eyes” of PSOs regarding the power of advocacy and also built their capacity to undertake effective advocacy. The study looked at the regularity of interaction between grantees and duty bearers arguing that this interaction is essential as duty bearers influence issues of planning and policy. Evidence from analysis of data regarding regularity of interaction showed that 86% of PSOs met regularly with policy makers (39% more regularly, 47% regularly) after the BUSAC Fund intervention while 10% of PSOs interacted less regularly with duty bearers’ (p. 45).</li><li>Before the BUSAC grant, some individuals and organisations did not have the capacity to do advocacy, some were capable but diffident, some were nervous to approach policy makers and people in authority while others did not even know they had the right to undertake advocacy actions. The study also found that i) the capacities of PSOs have been built to effectively advocate policy makers and other influential individuals and organisations ii) BUSAC has resourced PSOs in terms of capacity to continue to advocate in terms of knowledge and funds to engage in private-public dialogue. The inferiority complex in some PSOs and individual members of the PSOs has been removed and their competence and confidence built to approach, engage with and convince policy makers address their business-related challenges (ibid. p. 82).</li><li><b>The Jeavco sustainability study made a number of assertions based on a limited investigation, and the Evaluation considers these to be additional opinions that positively support BUSAC’s role although the Evaluation could not find strong evidence around some of these assertions.</b> The specific assertions highlighted by the Evaluation are shown in in the table below.  <b>Table: – Jeavco assertions and the Evaluation’s comments on those assertions</b><table><tr><th>Assertion</th><th>Evaluation Comment</th></tr><tr><td>Advocacy is a critical intervention strategy to build and sustain business environment reforms.</td><td>Advocacy is a critical intervention strategy to build and sustain business environment reforms.</td></tr></table></li></ul>	Assertion	Evaluation Comment	Advocacy is a critical intervention strategy to build and sustain business environment reforms.	Advocacy is a critical intervention strategy to build and sustain business environment reforms.	<p>Document review (BUSAC studies – UCC/ Jeavco; BUSAC review)</p> <p>KIIs (grantees; BUSAC mgt.)</p>
Assertion	Evaluation Comment						
Advocacy is a critical intervention strategy to build and sustain business environment reforms.	Advocacy is a critical intervention strategy to build and sustain business environment reforms.						

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence
	What were the longer term effects of advocacy actions on the enabling environment for the private sector in Ghana and ultimately on growth and employment?	<ul style="list-style-type: none"> <li>• <b>Assessing BUSAC's contribution to economic growth resulting from private sector development is highly challenging.</b> One approach used by the Evaluation was to infer causality from testing a set of plausible causal chains (Stern et al., 2012). By setting out the programme's results logic and the assumptions behind it, the Evaluation assessed if these assumptions held for each chain in the logic. For example, the assumption that the quality of business dialogue was a causal factor behind policy change. By testing the chain from BUSAC inputs to final impacts, it provides one set of evidence to building a credible story around the impact of BUSAC. The causal analysis is discussed in detail in Annex C.</li> <li>• <b>In general, the Evaluation found that the impact chain from input to outputs largely plausible, with strong evidence that the capacity to advocate had improved.</b></li> <li>• However, evidence also suggests that even where this capacity has improved, it is sometimes focused on the type of dialogue that would go not lead to improvements in the broader business environment, instead being focus on distinct local issues. Moreover, the political economy analysis undertaken suggests that connections between duty bearers and advocates are likely to be weak, with a relatively poor state-business relationship, specifically for small businesses and associations.</li> <li>• <b>In BUSAC II the chain in leading to final impacts is more coherent, reflecting it greater national focus but evidence that it is achieving large scale reform is scarce.</b> This reflects the sometimes 'niche' national areas chosen for grant funding and in almost all instances it is too early to generate robust evidence. As noted in Chapter 3, it was not possible for this Evaluation to fully attempt to assess and distinguish between the main factors that contribute to changes in policy, and subsequent changes in economic performance. There are simply too many multifaceted influences at play.</li> <li>• <b>The above casts some doubt therefore on any significant causal claim that BUSAC has contributed to changes in the private sector through improved enabling environment.</b></li> <li>• <b>It is not possible to establish a clear link between BUSAC-funded advocacy actions and the overall business environment and the link is even more tenuous to growth and employment.</b> Ghana has deteriorated on most World Bank doing business indicators (see above). Representatives for AGI, GEA and PEF suggested that the reason for the lack of general improvement of the business climate is the result of a combination of the current government's lack of appreciation of the importance of the private sector as the engine of economic development (the slow progress of PSDS II was quoted as an indication of this) and, more recently, the financial constraints encountered by the country. Furthermore, as discussed above, without committed PSOs with strong leadership there is little BUSAC can do in terms of contributing to improvement of the broader conditions of the private sector. <b>The lack of link is explicit in the constructed theory of change, which recognises a large number of assumptions in the steps between improving the quality of advocacy and how this relates to the overall business environment.</b> The assumptions includes the appetite of the government to address concerns of the private sector, how the government might respond to the need to change laws, regulations, taxes, regulatory practices, especially in terms of cost and convenience, that form the basis for many of the DB indicators. At a higher level of the theory of change, the linkages between an improved business environment and increase private sector growth and employments are subject to a number of risks that are listed in Annex C, <b>Fejl! Henvisningskilde ikke fundet..</b> Many of these risks are prevalent still in Ghana, especially around agricultural risks and dependency on small scale industry and the lack of a deep service sector because of insufficient demand.</li> <li>• <b>It is not possible to draw any conclusions relating to employment generation due to a lack of data.</b> GoG's concerns are to develop</li> </ul>	<p>ToC analysis</p> <p>Economy wide analysis (e.g. DB analysis)</p> <p>KIIs (grantees; duty bearers)</p> <p>Political economy analysis</p> <p>Document review (Govt.)</p>

Core Evaluation Question	Sub-Question	Findings	Main sources of evidence
		the economy through diversification starting from a base of 80% informal employment, with a high dependence on agriculture. The National Employment Strategy (2012-2016) does not have any up to date statistical information. The Ghana Statistical service suggests that only 7% of employment in 2010 was formal private sector, and as much as 83% informal sector.	
	Did gender play a role in the longer term effects for targets group of the programme?	<ul style="list-style-type: none"> <li>• <b>BUSAC does not have a gender strategy as such, but a considerable number of the supported community-based business association are female-dominated or even exclusively organising women.</b> No statistics are available on the share of female members of the grantee associations.</li> <li>• It should be mentioned that targeting women-dominated PSOs/FBOs does not necessarily imply targeting poor segments of the (rural) population. Indeed, the members of several of the interviewed women's FBOs were considered well above the poverty line and possibly enjoying income above the local average.</li> </ul>	<p>Document review (BUSAC)</p> <p>KIIs (grantees)</p>
	Did BUSAC contribute towards improved corporate social responsibility and ethical practices in line with Danida's agenda?	<ul style="list-style-type: none"> <li>• <b>BUSAC has not directly acted to encourage advocacy related to corporate social responsibility or corporate governance.</b> For instance, none of the invitational grants deal with this topic. However, several advocacy projects have indirectly addressed issues such transparency of government transactions and anti-corruption, but except for child labour no grants have focused on the ethical behaviour of private business. Also, many of the grants to labour unions during BUSAC I did one way or another deal with the situation of organised labour which may related to ethical business practice.</li> </ul>	<p>Document review (BUSAC)</p> <p>KIIs (grantees)</p>

