

This note to the Programme Committee summarises the main findings and lessons learned from a joint evaluation of the Ghana – Denmark partnership 2007-2017. The note includes the executive summary and the management response and follow up proposals drafted by the Danish Embassy in Accra and KFU. EVAL commissioned and managed the evaluation which was carried out Nordic Consulting Group (NCG) and Orbicon.

Executive Summary

Evaluation background and objectives

Denmark has provided development assistance to Ghana since it gained independence in 1957. The Embassy of Denmark in Accra was opened in 1961 but linked to political developments, the embassy was closed between 1983 and 1991. Based on the Danish Strategic Action Plan of 1988, Ghana was among the first 12 Danish programme cooperation countries identified in 1989. The Danish assistance (including NGO-support) grew substantially from DKK 6.9 million p.a. in 1990 to a high of DKK 536 million in 2010, before decreasing to approximately DKK 230 million by 2015.

The main areas of cooperation in the period from 2007 to 2017 have been general budget support, governance (including decentralisation and human rights), health, tax/customs and private sector development. In this period, other activities such as business-to-business programmes, research collaboration and the Danish-Ghanaian Culture and Development programme have been managed centrally from Copenhagen. The current Denmark-Ghana Partnership Policy 2014-2018 envisages a transition of the partnership from primarily development cooperation to a strategic partnership, mainly based on political and commercial cooperation.

The objective of the evaluation is to assess the results achieved and their sustainability in light of the fact that the development cooperation between Ghana and Denmark will be reduced and gradually taken over by the new strategic partnership. The evaluation examines the current state of the Ghana-Denmark partnership on the basis of past achievements and future opportunities. The evaluation was undertaken between January and August 2018 through a combination of desk study, key informant interviews and fieldwork in Ghana.

Key findings from the evaluation

Sector-level findings

Support to private sector development

By co-chairing the Private Sector Development (PSD) Working Group with the Ministry of Trade and Industry for six years, Danida has been a driving force in the efforts to coordinate the debate and influence the dialogue on PSD policy and implementation issues. However, despite the government's commitment to PSD, major reforms have not been implemented during the evaluation period. Danida's main contribution at national level has been related to business advocacy, especially public-private dialogue to improve local and national business environments.

In the absence of progress on the overall policy framework, Danida decided to focus on enterprise level support while also addressing the business environment at local and national levels through business advocacy and public-private sector dialogue. Given the complex policy

circumstances, the emphasis on local level achievable results was the better option at the time.

Support to governance

Danida has played an instrumental role in the acceleration of the decentralisation reform process in Ghana over the past 10 years. The institutional framework is partly in place and the Metropolitan, Municipal and District Assemblies have improved their capacity including their abilities to engage with civil society. It is, however, hard to document changes in service delivery during the period, since survey data have not been systematically collected.

The area of civil society is where Danida in collaboration with other like-minded Development Partners (DPs), have left the most significant mark. The role of Ghana's already active and vocal civil society has been consolidated during the evaluation period. Danida has also contributed to the strengthening of the Commission on Human Rights and Administrative Justice (CHRAJ) and the Judiciary. However, major challenges still persist with regard to the efficiency of the two institutions and they remain largely under-resourced. The Danish focus on vulnerable groups has contributed to improved access to justice for the vulnerable (e.g. unsentenced prisoners). The programme interventions have reached the grassroots and remote areas.

Support to the health sector

Danida's support to developing the National Health Insurance System (NHIS) has been instrumental in transforming the provider payment system, i.e. the form, scale, quality and scope of health service delivery. Danida has advocated in particular for the NHIS to incorporate a pro-poor exemption policy so as to ensure inclusion of poorer and more vulnerable groups and data shows that a positive development towards exempting the poor from paying premium has ensued. Danida is also recognized for maintaining a strong voice and influence in policy dialogue, especially within more sensitive areas such as abortion and support to vulnerable groups, during a crucial time when most DPs were withdrawing from such areas. On the other hand, the limited time span of support to HIV/AIDS prevention led to lost opportunities for policy influence in this area.

Support to tax reforms

The Danish support to tax reforms has been a late attempt in the Danish-Ghanaian development cooperation to support one of the main key democratic "backbone institutions" in Ghana. The programme has suffered from limited planning and implementation time and has been through significant revisions to lower its level of ambition and generate more ownership within the Ghana Revenue Authority (GRA). The interventions now focus mainly on the GRA Customs Division. Although the Danida-supported interventions reportedly have contributed to some improvements in clearance time for goods at the ports, progress within the supported areas is still limited and may not be sustainable.

Transformational and cross-sectoral issues

The transformative analysis has examined the extent to which profound and radical structural changes have taken place in the Ghanaian economic, institutional and social development context during the evaluation period and how Danida has contributed to these processes.

An important component of the Danida-supported development interventions has been directed towards some of the key backbone institutions for democracy and socio-economic

development. These institutions (e.g. Judiciary, CHRAJ and GRA) have often been extremely complex to work with and it has required a good insight and patient building of trust to achieve progress. The long-term partnerships and commitments, which have characterised the Danish-Ghanaian development cooperation, have been important in this context.

Several of the key assumptions related to the Danish programme support in the period of evaluation were not fulfilled, e.g. assumptions related to macro-economic stability, improved business environment, corruption and anti-corruption, revenue collection, and allocation of financial and human resources for social sectors. These critical shortcomings have not been effectively monitored and addressed through high-level policy dialogue. Therefore, opportunities for eventually re-aligning the Danish programme support in accordance with realities on the ground have largely been missed. As a consequence of this, it has been difficult to generate lasting, transformative changes through the supported development interventions.

Transition

Transition refers to the process where development programmes are gradually being phased out and replaced by a stronger focus on commercial and political cooperation in the Danish-Ghanaian partnership. The "Denmark-Ghana Partnership Policy 2014-2018" has constituted the framework for the transition process.

After a slow start, a number of new and innovative business-related initiatives have now been launched from the Danish embassy including both development as well as different trade and investment instruments. The health and maritime sectors provide particularly good examples of areas where the commercial platform for Danish companies has been strengthened through targeted and combined efforts from the development and trade sections at the embassy. The recent mobilising of a Danida Ghana Alumni network with more than 100 highly skilled Ghanaian professionals who have lived and studied in Denmark through fellowship courses, presents an interesting potential for leveraging and facilitating of the transition. The political cooperation has been addressed in a less strategic and coherent way, partly due to unclear division of responsibilities between the Danish Ministry of Foreign Affairs (MFA) and the Danish embassy.

There is not full coherence between objectives and targets in the development programmes and those outlined in the Partnership Policy. This relates partly to differences in focus areas and sector priorities. As a result of this, it has in some cases been difficult for the Danish embassy to manage development and commercial partners' different interests.

Main Conclusions

Programming

The enabling environment in Ghana has not been conducive for provision of development assistance in the period of the evaluation. Furthermore, the Danida-supported development interventions have not sufficiently been adjusted to Ghanaian political-economic realities. Taken together these two factors have affected the prospects for achieving transformational and longer-term changes within the supported sectors.

Despite these shortcomings in relation to the Danish support, Danida has made an important contribution importantly to the democratisation process in Ghana, with a strengthening of non-an important legacy from the Danish engagement. Likewise, Danida has been a key driver

among the DPs in supporting reform processes in the decentralisation and the health sectors, including development of relevant legislation and procedures and formalising of institutional structures.

As regards the Danish support to private sector development, the lack of a clear sector implementation strategy or policy dialogue has made it difficult to contribute to fundamental changes within this sector. On the other hand, at enterprise level, there are indications that Danida's support has resulted in many successful projects with potential for up-scaling. However, the experiences from this support are not well documented (no surveys have been conducted to assess the leveraging effects of almost 2,000 PSD projects implemented since 2004).

The Danish support to governance and health has provided examples of how long-term partnerships, based on a consistent and critical high-level policy dialogue, combined with flexible technical assistance tools, can be an effective approach for generating trust and commitment for achievement of results within partner institutions. On the other hand, weak government capacity and serious budget constraints, together with other DPs planning to leave Ghana, have prompted Danida to support the establishment of new and alternative financing and institutional arrangements, in particular in areas where Danida's development assistance has been significant (e.g. different examples of public-private partnerships (PPPs) in the health and service sectors).

Transformation

During the first part of the evaluation period the Multi-Donor Budget Support policy dialogue, in which Denmark participated actively, was an important contributor to the development process in Ghana, which resulted in Ghana's achievement of lower middle-income country status in 2011. While the democratic development in Ghana have been further consolidated, also in the period after 2011, Danida (together with other DPs) has not managed effectively to support a transformation of economic and productive sectors to sustain the growth process. Only a limited number of structural reforms and transformational changes have taken place in the Ghanaian economy, as evidenced by the continuous deterioration in Ghana's ranking on the business and competitiveness index during the period.

A highly complex political settlement in Ghana, a serious deterioration of the policy dialogue between the government and DPs, and a more fragmented DP support are the main reasons for the limited transformation that has taken place. At the same time, structural financial constraints (i.e. low revenue collection, high debt financing), together with government expenditure prioritisation of non-social sectors and DPs' phasing-out of support to social sectors, are creating serious challenges for Ghana in meeting Sustainable Development Goals (SDG) targets.

Likewise, despite some progress in combating extreme poverty, the drivers of poverty and inequality in Ghana have not been fundamentally addressed during the period of evaluation. Relatively more progress for the extreme poor in recent years (compared to those living close to the poverty line) may, however, be partly attributable to Danida's particularly strong attention to gender equality, vulnerable groups and the use of a human rights-based approach, in particular in governance and health sector interventions.

Transition

The transition process has served as an interesting demonstration of innovative approaches, synergies and working modalities at the crossroad between development and commercial / political cooperation. Some of the experiences would be very useful for other embassies to learn from. Overall, however, there is still need for development of a clearer conceptualisation and better guidance for implementation of the Partnership Policy, as well as for a stronger linkage to the development programme interventions.

The Danish embassy has been facing some important dilemmas during the implementation of the Partnership Policy. One dilemma is related to the need for balancing development priorities (e.g. support to domestic private sector development) with support to Danish companies (e.g. facilitation of platforms for Danish companies to access the Ghanaian market). In some instances, Denmark and Ghana may simply have diverging interests. A second dilemma relates to the process of selecting partnerships for the last phase of development cooperation. The embassy has been considering whether to continue supporting long-term partnerships (which may show little traction) or to engage in new more prospective partnerships for the transition to future commercial cooperation (such as, e.g. partnerships in the energy sector). A third dilemma has been how to deal with highly complex national institutions, which are backbone institutions for the transformational and transitional processes in the country, but which show little traction (such as the GRA). Finally, in relation to the political cooperation, the unclear division of responsibility between the Danish MFA and the embassy has made it difficult to link this dimension of the Partnership Policy to the development programming.

Management response to the Recommendations in the Evaluation of the Denmark- Ghana Partnership (2007-2017)

General comments:

The Ministry of Foreign Affairs welcomes the evaluation of the Denmark-Ghana partnership and the assessment of future opportunities for building on the extensive development cooperation with Ghana. The evaluation confirms the relevance of Danida's support to Ghana but also finds areas where things could have been done differently. Among these, it stands out as the most important limitation that there has been a tendency to continue well-established partnerships without sufficiently assessing their continued relevance. Many of the findings are useful as guidance for development cooperation in other politically complex settings, and the evaluation provides valuable reflections on the transition from aid to trade.

Despite limited time for field work in Ghana, the evaluation has managed to engage a wide range of stakeholders and has been able to test their views and the data collected. The result is a well-researched and comprehensive report, which will inspire the further work of the MFA, our Ghanaian and other partners.

Programming, transformation and transition

The evaluation points out that during the evaluation period, the general environment for development cooperation in Ghana has been challenging. It mentions the breakdown of the government-donor dialogue around the general budget support and the subsequent difficulties of establishing a constructive dialogue around themes such as private sector development, anti-corruption, and reforms of the tax system. Although there are important nuances to this, the MFA agrees with this overall description. Furthermore, the observation is valid that despite substantial achievements resulting from the Danish cooperation in a wide range of areas, structural transformation of the Ghanaian economy and society has been limited.

Ghana is a well-established democracy with a vibrant civil society, a free press, and relatively well-functioning democratic institutions, and this has provided for a better dialogue with decision-makers at all levels and larger impact of Danish-supported activities than in many other partner countries. When it has been difficult to identify transformative change in Ghana, this calls for reflections about the wider question of what development cooperation can do to influence fundamental structures in settings where vested interests among decision-makers stand in the way of reform.

Ghana and Denmark has a long and well-established cooperation, and the evaluation shows how important the mutual trust developed over the many years of development cooperation is to all interaction between the two countries, including to the new types of more commercially-oriented cooperation.

The evaluation notes that Denmark may have overstretched the emphasis on long and well-established cooperation and has not been sufficient prepared to challenge the rationale for continuing cooperation with institutions which got less significant roles in the Ghanaian society over time or which have ceased functioning to previous standards. This is an important observation, and the MFA agrees that there is a need for a more systematic assessment of whether previous assumptions are still valid. The need for new capacity assessments of well-known partners, and a more open approach to identify new cooperation partners when programming new support, is acknowledged. On the other hand, it is also important to point out that much of the success of the Danish-Ghanaian cooperation is based on the insistence of long-term support - being in it for the long haul - and not applying an approach of jumping from area to area, from partner to partner, depending on the immediately prevailing conditions. Hence, the challenge will be to find the appropriate balance between cooperation with a long-term perspective and a sufficiently critical approach to existing partnerships, which will allow Denmark to adjust its approach, when new partnerships present themselves as more relevant.

When the evaluation criticises the decision by the MFA not to embark upon a new partnership with the Energy Commission in the last phase of the private sector development support, the argument is that this would have been useful for the future commercial cooperation. With a limited budget, the Embassy instead decided to continue the most successful elements of the previous phase, the skills development fund and the business advocacy fund. The MFA agrees

that it would have been beneficial for Danish companies in the energy sector, if the Embassy in Ghana had been able to further develop its insight and network in this area through a cooperation with the Energy Commission. However, the reputational risk of leaving one or both of the two other partnerships, which – as acknowledged by the evaluation - have significant importance for many Ghanaian actors in the private sector, was found to outweigh the immediate interest in consolidating the Danish position in the energy sector. It adds to the considerations that in recent years, several Danish companies with the support of the Embassy have found their way into the energy sector - and some have a cooperation with the Energy Commission - and into ‘the green sector’ in general.

General budget support (GBS) was not given with the deliberate intention to pave the way for Danish commercial interests in Ghana. It has turned out, however, that the very close cooperation with the Ministry of Finance over more than 25 years, and notably during the GBS period, has made it significantly easier for the Embassy to get access to key decision-makers both in the Ministry of Finance and in line ministries. When Danish investors in the energy sector in Ghana requests meetings at high level, the Embassy is able to arrange this drawing on its network and not least facilitated by the view of Denmark as a trusted and reliable partner. This picture is recognised from other Danish partner countries where GBS was provided.

The observation about the importance of being a good development partner is further supported by the recent arrival of a number of Danish companies in the water sector. Despite the fact that the Danish cooperation in water and sanitation ended 10 years ago, Danida is still associated with substantial effort in this area (close to 1 billion DKK was disbursed from 1993 to 2008), and companies in this sector are received as if they represent a direct continuation of the former development cooperation.

The transition from development cooperation to commercial cooperation is well under way, and the Embassy is able to expand its business team at the same rhythm as the development team is being reduced. The evaluation finds that the Ghana case provides useful learning about this transition. The MFA is pleased that this has been noted. The evaluation, however, offers little guidance on the challenge of improving the conditions for the poor and the marginalised after the transition has taken place. Efforts are ongoing to use the SDGs as the framework for the future commercial cooperation, and it would have been useful to see more reflections on how this could be done and whether this is sufficient to ensure that the role and image of Denmark is not substantially changed after 2020 when the development programmes have been phased out.

Strategic recommendations for the Department for Technical Quality Support (KFU) in the Danish MFA, the Embassy in Accra and for Danish embassies in developing countries in general)

On programming:

A more flexible, adaptive and opportunity-driven programmatic approach (e.g. aligned to the Problem Driven Iterative Approach), with more frequent and critical decision points on who (engagements/ partnerships) and how (approach/modality) to work should be piloted in a country with a highly complex political settlement (like Ghana), based on what is possible within existing Danish MFA financing and budgeting frameworks. A more thorough political-economic analysis should be used in programming and during programme implementation.

The MFA agrees that flexibility and the possibility to adapt strategies and interventions to changes in the context and new opportunities is necessary. This is reflected in our guidelines.

The value of the problem-driven approach is also recognised as one among several relevant approaches that facilitate ownership of identified problems as well as the development of capacity to address these problems in an inclusive and sustainable way. In Ghana, a more flexible and adaptive programmatic approach with more frequent decision points might have addressed some of the challenges that appeared, when partnerships continued although the assumptions on which they were based not longer applied.

A thorough and continuous political-economic analysis is definitely an important tool to inform programming, and it is fair to say that such analyses have not always been sufficiently taken into account in the design of programmes. On the other hand, there is a trade-off between the agility offered by opportunity-driven and short-term forms of support and the mutual trust and understanding obtained through long-term partnerships. As the evaluation points out, long-term partnerships and commitment to support some of the backbone institutions in Ghana have been key to the success of the Danish cooperation. The challenge seems to be to find the appropriate balance between long-term partnerships and the identification of assumptions, which are so critical that the cooperation should not be continued if they disappear. It will be critical to carefully select the decision points that may trigger a shift in the programming. Here the design of a new phase of a programme appears to be an obvious decision point, and the MFA takes note of the finding that sufficient institutional analyses have not always been made at this point in time, and that warnings by critical appraisals have not been taken sufficiently into account.

Development programming should aim at creating greater synergies between governance and private sector-supported interventions by focusing on specific constraints (such as corruption) that slow down sustainable growth. In this sense, the anti-corruption network established by the Danish Embassy in Ghana provides a unique and innovative mechanism that should be replicated by other embassies as it provides important support to Danish companies in the country.

MFA agrees that development programming should aim at creating synergies between different intervention areas, including between governance and private-sector supported interventions. The initiative in Ghana to draw on the development cooperation experience by establishing an anti-corruption network for Danish companies is a good example of how this can be done, and MFA will ensure that the example is shared with other relevant embassies. There may be many other areas of synergy in other settings, and the specific focus should depend on the circumstances.

In general, development programming should include requirements for establishing more effective data collection systems (baselines, surveys) in order to measure and document outcomes and impact from development interventions supported through long-term Danish engagements. In Ghana, this relates to both the supported PSD interventions (jobs created, increase in production and productivity level, leveraging effects, etc.) and to governance (e.g. improvements in local service delivery as a result of decentralisation).

For the past 20 years, it has been a key priority for the MFA to improve the measurement of results of development interventions. Much effort has been dedicated to the refinement of methods and tools, and the efforts continue. It is a major challenge, however, to collect data and establish baselines in settings with institutional weaknesses, limited use of administrative data and often only occasional population surveys. Among the recent initiatives to overcome the challenges are results framework designed to be compatible with the open-data format IATI, which will allow inclusion in more effective data-exchange systems in the future. The MFA is also currently introducing a new internal results monitoring tool, Portfolio Performance Indicators, PPI. The purpose of which is to ensure that all disbursements made to development engagements are linked to a specific outcome, facilitating management-level attention to the data-availability through graphical BI-tools.

In a recent performance audit of selected embassies, the Danish Auditor General's office found significant progress on formulation of operational interim goals and performance requirements which allow subsequent assessment of whether the targets are fulfilled.

It should be made explicit how Development Engagements, the selection of partnerships and the supported interventions during the last phase of development cooperation are expected to contribute to achievement of the targets and priorities established in the Partnership Policy (Transition Process). In particular, decision as to which Development Engagements to support and which partners to work with should be more explicitly linked to the Partnership Policy and transition process.

The preparation of the "Denmark-Ghana Partnership Policy 2014 – 2018" constituted an important step in the early transition process towards a new partnership with Ghana. The Partnership Policy, however, reflects that the commercial cooperation was only emerging, when it was prepared, and its line of thinking is deeply rooted in the development cooperation of the past and not much on how to sustain trade and investment activities. Soon after the preparation, certain key assumptions in the Partnership Policy were undermined (e.g. that a cooperation with the Energy Commission could be used as a platform for commercial activities), and the paper therefore was less useful as a guiding tool.

MFA agrees that it is important to prepare a document, preferably jointly with partner country representatives, which sets out the overall vision for the transition from development cooperation to commercial cooperation. It is important also to prepare a specific exit strategy for the development cooperation which defines the engagements which should be sought continued by other development partners, the engagements which are likely to be continued by national partners, and the engagements to be consolidated and phased out. A timeline for the process should be part of the strategy.

Sustainability aspects should be more critically addressed earlier in the phase-out process and more responsibility placed on national partners in terms of co-funding arrangements. Danida funding should be gradually phased out over a 3 to 5-year period in accordance with a mutually agreed exit strategy, including action plans for partner institutions to fill in financial gaps.

Attempts to engage the Ghanaian government in a dialogue on sustainability issues have been ongoing for a long time. Results are mixed and generally not satisfactory, and it has been particularly difficult to agree on financial contributions by the government, while Denmark and other development partners are still continuing the funding. Even in cases where agreements have been made as part of the government agreement for the last programme phase, funds have not been readily forthcoming. A positive example is the decentralisation programme, where Denmark together with Germany, Switzerland and EU managed to reach an agreement with the Ministry of Local Government and Rural Development and Ministry of Finance about the payment of counterpart funds, which released the last tranche of the Danish support. In other cases, the activities are so highly prioritised by the government that there is a hope that it will take over the funding of the activity (e.g. the support to Alternative Dispute Resolution). In other cases (including many of the reform initiatives with Ghana Revenue Authority), the government is not likely to continue the activities after the Danish funding has ceased.

Engagements run by a fund manager pose particular challenges to the sustainability and this is aggravated, if government authorities do not have a formal role in the management through participation in steering committees and other joint decision-making bodies.

It is the general view of MFA that Danish-supported engagements should not just run until the expiry of the funding if there are no perspectives to either consolidate them or hand them over to either national partners or other donors. If otherwise important activities end with the Danish funding, it has to be considered if they should be started at all.

On transformation:

While Danida should continue and further strengthen its commitment and voice for protection of gender equality, distributional issues and inclusion of vulnerable groups in its programming, more attention needs to be given to analysing and addressing root causes of inequality in the partner countries. In addition, more attention should be given to continuous monitoring of progress within these areas, including specification of result indicators, targets and means of verification.

With the paradigm shift that the sustainable development goals represent, objectives of eradicating poverty is combined with promotion of sustainable development more broadly. Doing so reflects the complex challenges the world is facing. At the same time, the commitment to leaving no one behind challenges all of us to analyze and react to inequalities between and within countries.

The MFA recognizes the need for analyzing and addressing the root causes of inequality in the societies in which we engage. Although part of the Human Rights Based Approach screening this aspect can possibly be strengthened further. Part of reducing such inequalities is improving

the framework conditions that provide the individual with freedom and equal opportunities to make choices for his/her own and his/her family's future.

In view of the serious underfunding of social sectors, undermining ability to achieve critical SDG targets (this is the case in Ghana but also in other African countries), Danida should explore possibilities for supporting alternative funding mechanisms within these sectors. This could be done through a more strategic SDG partnership approach, involving larger and more strategic private sector engagement in areas where Denmark may have comparative core competencies. The experience from Ghana provides several good examples of Danish companies' involvement in PPPs with nation-wide socio-economic impact and the SDGs could possibly provide a more strategic frame for leveraging of PPPs within partner countries. Danida should also consider how development research could contribute to this process, e.g. by promoting and identifying potential partnership areas.

As part of the Aid to Trade transition and in view of the SDG frame and Danish core competences, the Embassy in Ghana is continuously exploring the synergies between its development programmes and possible business opportunities. There are already promising and concrete examples of this effort within the health (Novo Nordisk Diabetes Centres) and water (Grundfos) sectors.

On transition:

The development of a Partnership Policy should include direct involvement and ownership by the partner government. This should contribute to a clear understanding of the extent to which (and through which mechanisms) the two parties may equally benefit from the partnership agreement. The Exit Plan for the development programmes should refer to the Partnership Policy.

MFA agrees that a Partnership Policy should preferably be prepared jointly with national partners and should include a mechanism with the partners for regularly visiting the visions, the activities outlined, and the assumptions on which the plans are based.

A Partnership Policy should be an adaptive document, including mutually agreed targets and means of verification, in order to be able to make use of the document for operational guidance. It should be clear how results from the development programmes are expected to contribute to achievement of targets in the Partnership Policy.

MFA agrees that a Partnership Policy should not be cast in stone but should be an adaptive document, which is revisited on an ongoing basis and which should like to the exist strategy with specific targets.

A mechanism for joint annual review and follow-up on the Partnership Policy should be established between the partner government, the Embassy and the Danish MFA. This should ensure the continued relevance of the Partnership Policy document during the period of transition. Roles and responsibilities between the Danish MFA and the Embassy should be clearly outlined within the strategic pillars in the Partnership Policy. This is in particular the case for an area such as "political cooperation", which will include initiatives and support from the Danish MFA as well as from the Embassy.

The MFA recognises the value of regular high-level meetings to discuss progress in development corporation and transition programmes in general. If circumstances do not allow involvement of MFA in the dialogue, embassies should ensure that regular dialogue meetings take place with the Ministry of Finance and other relevant national partners.

It should be explored whether a modality could be established, through which Danish embassies would have the ability to access a pool of (small) funds to follow up on strategic development processes in the partner countries, for a period (e.g. up to five years) after the official development assistance has been phased out. This could become an effective mechanism to ensure continued Embassy presence within strategically important ministries and partner institutions in order to push for improvements in, e.g. enabling environment factors, which could eventually facilitate achievement of political/commercial targets in the Partnership Policy. Such funds may also provide an opportunity for supporting civic engagement and/or policy research (Think Tanks/CSOs) in relation to key development topics/events considered of particular relevance and priority within the Partnership Policy.

This is a valuable proposal if it concerns cooperation with a limited number of think tanks and civil society organisations, which could prepare strategic analyses, undertake advocacy in areas such as anti-corruption, tax payment, conditions of trade, and environmental protection, and act as sounding boards for the Embassy and Danish companies. Another potentially valuable area of strategic cooperation could be support of Ghana's constructive role in the international rule-based system, where it could be relevant for Denmark to cooperate more actively with Ghana on issues related to human rights, gender quality etc.

Strategic cooperation with Ghanaian ministries and other public authorities, which requires dedicated and highly skilled staff, is best done in the context of strategic sector cooperation with Danish ministries and municipalities.

Specific Recommendations for the Danish Embassy in Accra

The following recommendations may be considered by the Danish Embassy in relation to development of an Exit Plan for the period 2018 – 2020:

Anti-corruption should be a high priority for the continued Danish commercial interest in Ghana and the Embassy should consider supporting the roll-out of the Special Prosecutors Office to support the current Presidency in its anti-corruption drive if the support requested can supplement what other DPs are offering. This collaboration could among others take the form of a government-to-government collaboration between the Special Prosecutors Office and the Danish State Prosecutor for Serious Economic and International Crime.

The Embassy will ensure that anti-corruption remains a high priority for Denmark's continued engagement in Ghana. Several development partners, including Denmark, are considering to support the Office of the Special Prosecutor, but it is agreed that this should await the clear commitment by the Government to provide substantial funds to the office. If development partners turn the office into a donor-driven institution, it will lose its relevance before it starts working. The Embassy does not agree with the proposal to initiate a collaboration between the Office of the Special Prosecutor and the Danish State Prosecutor for Serious Economic and International Crime. It is not believed to be helpful to introduce a new partnership with a Danish institution with only limited experience of working in similar settings to the already challenging political context surrounding the office.

The Embassy should continue the political dialogue with Ghana in view of the International Anti-Corruption Conference (IACC) 2018 hosted by Denmark, including subjects such as tax evasion, illicit financial flows, beneficial ownership disclosure and identifying and addressing the critical links between corruption, trade and sustainable development.

The 18th International Anti-Corruption Conference in Copenhagen on 22-24 October has represented a good opportunity to intensify the policy dialogue with relevant Ghanaian authorities about corruption, tax evasion, trade misinvoicing etc. The Embassy has also used the conference and the participation by key Ghanaian authorities to step up communication to the general public about the canker of corruption and its impact on the Ghanaian society. The Deputy Minister for Finance (Revenue), the Special Prosecutor on Anti-Corruption, and the Auditor General all participated in the conference.

The focus and value-added of the Tax and Development Programme should be critically reviewed with a particular view to supporting implementation of the Partnership Policy 2014-2018. Given the persisting institutional challenges in relation to implementation of this programme, it is not recommended that a government-to-government cooperation between Denmark and Ghana be initiated in the tax sector

A review of the Tax and Development Programme took place in October 2018 and addressed the issues highlighted by the evaluation team. The programme suffers from serious institutional challenges and the political will to pursue the necessary reforms is not always apparent. Improving tax collection, however, is a key condition for the transition to a situation where the country can manage without development cooperation. Improving transparency and predictability of the customs service is a condition for the attractiveness of Ghana as a country where Danish and other companies are ready to invest. Ghana Revenue Authority, therefore, is not considered an institution, which Denmark can turn away from when the going gets tough. If it had been possible to continue the cooperation in the form of a strategic sector cooperation between Denmark and Ghana in the tax sector, the Embassy would have welcomed this. For reasons which have less to do with Ghana than with the situation of the Danish tax authority, the cooperation seems unlikely.

The leveraging effects of Danida-supported governance and private sector interventions at the local level warrant further assessment. The Embassy should commission a study to look into what types of support to the private and governance sectors have had relatively more impact in promoting district level socio-economic development; and whether there are any national level-derived effects.

There are already studies available from the previous phase of the private sector development programme that show effects of activities at district level (e.g. studies of the window under BUSAC II dedicated for district level activities). It is a relevant suggestion to also look at the impact of governance activities at local level such as the support to district administration, district courts, etc. As the evaluation rightly points out, however, the impact of many of the activities supported is likely to be considerably higher at the enterprise level and at local level than at the national level. The Embassy, therefore, would rather dedicate resources to study how the various reform efforts from previous interventions could be further promoted at the national level through the Embassy's policy dialogue with the government of Ghana.

The transition process should be intensified by including “Aid to Trade” as a permanent agenda point in the Support to Private Sector Development (SPSD) III Coordination Committee meetings. The Investment Manager for the Investment Fund for Developing Countries (IFU) should become a member of the Committee.

The Embassy agrees with the recommendation. Embassy staff working with trade is already member of the Coordination Committee, and the “Aid-to-Trade” agenda, therefore, is already being discussed at the Coordination Committee meetings. In the future, IFU will also be invited. For several years, Embassy staff working with trade, Embassy staff working with the private sector development programme, and the IFU representative, whose office is in the Embassy, have had weekly meetings to synergise on the Aid-to-Trade agenda.

Business advocacy and public-private dialogue concepts should be anchored at a business or university entity to enhance evidence-based actions. The prospect of continuing the support to business advocacy in some form should be discussed with DPs that continue to provide support to the private sector.

The embassy is indeed discussing the possibilities of continued funding to business advocacy with other Development Partners, notably with USAID and EU. As for the institutional sustainability, the Embassy in 2017 commissioned a study of options, which recommended a university or think tank as possible anchors. The options are currently being tested, e.g. through the recent commissioning of a study on local content to the renowned think tank IMANI. Institutions like IMANI could perhaps take over some of the key functions of advocacy that BUSAC is presently undertaking. Moreover, the Danida-supported Masters in International Business (a collaboration between University of Ghana and University of Aarhus) under the Skills Development Fund has a taught course on business advocacy. This is a test case to proliferate the ways and methods of business advocacy to as many business leaders and managers as possible.

Demand-driven skills development targeting enterprises in growth sectors should be promoted to complement supply-driven technical and vocational education and training. The embassy should facilitate the adoption of the Skills Development Fund concept – as practiced by Danida – by other DPs.

Over the years, the embassy has actively engaged other development partners with a view to get them on board and convince them to adopt the demand-driven approach practised by the Skills Development Fund. Currently, the embassy is working hard on convincing especially the World Bank to stand firm on the concept, not least in view of its 150 million USD programme coming on stream from 2019 (with skills development as an important component). However, the main challenge is not so much to convince the other DPs but rather to convince the government of Ghana that politically-motivated interventions in a skills development funding mechanisms can undermine both efficiency and effectiveness of the efforts.