



Evaluation of Danish Support to Framework Conditions for Private Sector Development, 2008-2021

Ghana Country Report
December 2022

Quality Assurance:
Carsten Schwensen
Michael Hansen

Authors:
Lars Christian Oxe
Anneke Slob

Evaluation of Danish Support to Framework Conditions for Private Sector Development, 2008-2021



December
2022

Front page photo by Mikkel Klim.

Table of Contents

1	Introduction	10
2	Overview of Danish PSD support in Ghana	14
2.1	Ghana: Economic growth without transformation.....	14
2.2	Overview of Denmark’s support to framework conditions for private sector development in Ghana	16
3	Business Environment Reform	19
3.1	Relevance.....	20
3.2	Effectiveness and impact	22
3.3	Sustainability.....	27
3.4	Explanatory factors.....	28
4	Business Advocacy	30
4.1	Relevance.....	31
4.2	Effectiveness and impact	32
4.3	Sustainability.....	37
4.4	Explanatory factors.....	38
5	Trade Facilitation.....	40
5.1	Relevance.....	40
5.2	Effectiveness and impact	41
5.3	Sustainability.....	44
5.4	Explanatory factors.....	45
6	Findings across Framework Condition Themes	46
6.1	Coherence.....	46
6.2	Efficiency.....	50
6.3	Underlying assumptions	52
7	Conclusions and Lessons	54
7.1	Conclusions.....	54
7.2	Lessons.....	56
	Annex 1 Bibliography.....	58
	Annex 2 Evaluation Matrix	53
	Annex 3 Evaluation Sample Ghana	59
	Annex 4 Theory of Change.....	61
	Annex 5 Impact Cases.....	62

List of Abbreviations

ACP	Countries of Africa, the Caribbean and the Pacific
ADR	Alternative dispute resolution
AfCFTA	African Continental Free Trade Area
BER	Business Environment Reform
BSPS	Business Sector Programme Support
BUSAC	Business Sector Advocacy Challenge Fund
DKK	Danish kroner
ELQ	The Evaluation, Learning and Quality department of the Danish Ministry of Foreign Affairs
EPA	European Partnership Agreement
EU	European Union
FC	Framework Conditions
GDP	Gross Domestic Product
GIPC	Ghana Investment Promotion Centre
GMA	Ghana Maritime Authority
GoG	Government of Ghana
GPRS	Growth and Poverty Reduction Strategy
GRA	Ghana Revenue Authority
GSA	Ghana Standards Authority (earlier known as GSB)
GSB	Ghana Standards Board
GSGDA	Ghana Shared Growth and Development Agenda
IFC	International Finance Corporation
IMF	The International Monetary Fund
MDA	Ministries, departments and agencies
MFA	Danish Ministry of Foreign Affairs
MOTI	Ministry of Trade and Industry
MPSD	Ministry for Private Sector Development
NPP	New Patriotic Party
OECD-DAC	Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC)
PPD	Public Private Dialogue
PSD	Private Sector Development
PSDS	Private Sector Development Strategy
PSO	Private Sector Organisation
RGD	Registrar General's Department
SME	Small and Medium Enterprises
SPSD	Support to Private Sector Development
SSC	Strategic Sector Cooperation
TA	Technical Assistance
ToC	Theory of Change
ToR	Terms of Reference
TSSP	Trade Sector Support Programme
UK	United Kingdom
UN	United Nations
USD	US dollar
WTO	World Trade Organisation

Executive Summary

Background and methodology

The Evaluation of Danish support to framework conditions for Private Sector Development (PSD) in the Global South during the period 2008-2021 is implemented in four countries: Kenya, Mali, Ghana, and Tanzania. For all four country studies, a common theory-based and utilisation-focused approach has been developed. The main data collection methods were document analysis, interviews with various groups of stakeholders and validation workshops. In this report, the findings and conclusions from the Ghana country study are presented. The country visit to Ghana took place in April 2022, after which a first version of the country report was written and commented upon by stakeholders. The final version of the Ghana report was used for the synthesis report for this Evaluation.

The evaluation objectives focus on accountability and learning. The past performance of the Danish interventions is assessed in accordance with the OECD-DAC evaluation criteria (relevance, coherence, effectiveness, impact, sustainability, and efficiency). Regarding the second objective related to learning, the development cooperation with Ghana has come to an end and direct recommendations for the programme in Ghana are therefore not relevant. The evaluation findings will be used to provide lessons learned for future Danida programming in other countries.

The evaluation sample and analysis for the Ghana country study have been structured around three major framework condition themes where Danish support has been concentrated: 1) Business environment reform (BER) 2) Business advocacy and 3) Trade facilitation. Direct support to the private sector is outside the scope of this evaluation, which means that most of the Danish support for Private Sector Development in Ghana has not been included in this Evaluation.

Ghana: Economic growth without transformation

Ghana is a democratic and stable country in West Africa. Since 2008, Presidential elections have three times resulted in the presidency changing parties. When coming into power in 2001, The New Patriotic Party (NPP) proclaimed the golden age of business, established the Ministry for Private Sector Development to promote business development and pursued liberal market reforms. Following the change in government in 2009, the support to market reforms was less pronounced.

Despite the 2008 global financial crisis, Ghana's economy initially continued with the growth trajectory primarily based on the rise in commodity prices recording real GDP growth of 9% in 2010 and 14% in 2011 (due in part to the production of oil and gas) before stabilizing at 7.3% in 2013. Ghana reached status as a lower middle-income country in November 2010 but did not diversify its income base further and did not see a structural transformation towards industry. Ghana's economic growth and export remain dependent on a few commodities (cocoa, gold and petroleum).

In the beginning of the evaluation period and until around 2016, Ghana performed better than most countries in the region in terms of improvements in the business environment, but the

positive development did not continue. Fiscal deficits continue to be a major challenge and the Ghanaian economy is currently in a severe crisis.

Danish support to framework conditions

Denmark supported Private Sector Development in Ghana from 1993 and the first Business Sector Programme Support (BSPS) was agreed upon in November 2003. The programme was followed by two more phases and was one of the last programmes to be phased out when the development cooperation was ended in 2021. The exit of Danish aid was envisaged in the strategic planning since 2014 and was based on a common understanding between Denmark and Ghana that the partnership should continue through trade and close bilateral cooperation but without development cooperation. In addition to the three thematic areas selected for this evaluation, the main areas of Danish support within Private Sector Development were financial services, skills development, agricultural value chains and, most recently, green business innovation. A Danida country evaluation in 2018 assessed important aspects of Danish support to Private Sector Development, including business advocacy, rural finance, skills development and green business innovation.

Main findings regarding Danish support to business environment reform

The first phase of Danish sector programme support to the private sector included a continuation of on-going project support and an alignment to the Government's Private Sector Development Strategy which was under preparation and subsequently launched in mid-2004. Denmark was among the leading development partners in the private sector and in the support to the preparation of a PSD strategy and the Danish funding of support to public institutions was to a large extent channelled through the joint donor basket funding arrangement when it was established.

Denmark provided support to business environment reform from 2003 to 2010 and it was primarily earmarked to three institutions, including i) the Ministry of Justice for improving the legislative and regulatory environment for businesses, ii) the Registrar General for improving business registration and iii) the Commercial Court which was established with Danish funding. The Danish support was highly demanded from both private sector and government and became fully integrated in the national Private Sector Development Strategy.

The establishment and capacity strengthening of the Commercial Court was very effective and the courts were soon to be considered a model institution in the region. Denmark was the main bilateral donor and contributed significantly to this process, which was driven by a strong institutional ownership. The business registration system also saw some improvements during the programme period. But the establishment of a separate Business Law Division in the Ministry of Justice to spearhead legislative reform appears to have been misconceived and did not yield significant results. The unit was considered a donor project and was closed shortly after the Danish support ended.

Whereas there was progress in some of the Danish focus areas, the implementation of the Private Sector Development Strategy was overall considered disappointing. The first phase was extended to 2010 and despite the lower-than-expected performance, Denmark and other bilateral partners supported actively the development of a second phase, but it never materialised, and the Danish funding was eventually channelled to other programme components.

Ghana's ranking in the international business environment indices improved in the period 2005-2010 and the Danish funding is likely to have contributed to this improvement within specific areas through the implementation of the Private Sector Development Strategy. Subsequently, the ratings of the Ghanaian business environment declined compared to other countries. The improvements in business environment may have contributed to the stable and high economic growth in the period 2005-2010, but the growth has mainly been driven by commodity prices (including petroleum), and the macro-economic instability is indicated as the most important explanatory factor of the subsequent lower growth rates.

Main findings regarding Danish support to business advocacy

The Business Sector Advocacy Challenge Fund (BUSAC) was established in 2004 and received Danish funding of a total of DKK 169 million over three phases up until its close in 2021. With Denmark as initiator and lead donor, USAID, initially the UK and later EU provided substantial funding to the programme matching the Danish contribution.

BUSAC was a relevant initiative established to promote the voice of the private sector in the on-going business environment reforms. The primary activity areas of BUSAC were funding and technical support to specific advocacy initiatives of Private Sector Organisations (PSOs), capacity strengthening of PSOs, promotion of private sector issues with media and strengthening of public-private dialogue mechanisms.

It was seen as important that BUSAC covered the whole country and the focus was therefore to a large extent outside of Accra, and especially supporting agriculture and rural-based PSOs (often farmer organisations). Approximately two thirds of the 890 advocacy grants were allocated to organisations with a local reach and a minority of projects addressed overall business environment issues.

It is estimated that the authorities subsequently undertook the change aimed for (whether allocation of resources to a specific investment, change in policies, laws and regulations or their enforcement) in half of the projects supported. The advocacy capacity of PSOs was strengthened but the number of PSO members did not increase significantly. The large majority of PSOs do not have in-house staff or funding to undertake advocacy research of specific issues after the BUSAC support. Still, some advocacy activities continue at a lower level.

Despite several attempts to document higher level outcomes or impact of the advocacy projects, the documentation remains limited. The available evidence, based on cases, suggests that the effects at outcome level were most pronounced from the local level projects that in some cases contributed to employment and income creation. There are only a few cases that suggest that BUSAC may have contributed to outcomes in relation to specific aspects of the business environment but nothing to suggest a contribution to the overall improvement in the beginning of the evaluation period.

Main findings regarding Danish support to trade facilitation

International trade facilitation in Ghana was initially implemented through a separate component of BSPS 2003-2010 and later integrated as part of the national Trade Sector Support Programme in the Private Sector Development Strategy. The programme funded capacity strengthening of a range of GoG institutions relevant for trade, including Ministry of Trade and Industry and the Ghana Standards Board (later Ghana Standards Authority) including laboratories and training for

product quality assessment and certification. The Danish support was relevant and fully aligned to the Government's own plans.

Progress was made in relation to several of the intervention areas under the national Trade Sector Support Programme, including for example establishment or refurbishment of a number of laboratories for food produce inspection, accreditation and certification of inspectors. However, the Trade Sector Support Programme was overall considered below expectations. Trade negotiations with the EU (supported under the programme) resulted after a number of years in an agreement whereby Ghana could continue to enjoy free access for almost all products.

Despite limited achievements of the programme, Ghana did increase the level of non-traditional exports from USD 549 million in 2003 to USD 893 million in 2007 and USD 1.6 billion in 2010, according to Ghana Export Promotion Authority. The value of non-traditional exports' share of total export reached 29% before increase in the export of oil, gold and cocoa made the share drop to 17% in 2013. The linkages between these outcomes and the programme are not well documented.

Findings across framework conditions

Findings across the FC-themes include the assessment of coherence and efficiency, assessment of underlying assumptions including cross-cutting issues (gender and youth) and to which extent political economy analysis was undertaken.

Despite opportunities for internal coherence and synergy in the design of BSPS (2003-2010), the realisation of this during implementation proved challenging. In Phases 1 and 2, BUSAC primarily aimed for synergy with local agriculture and value chain interventions rather than the overall business environment. There was therefore also limited coordination with the embassy's policy dialogue with government.

An area of strong coherence within the country programme was in relation to Danish support to the modernisation of the justice system in Ghana under the Good Governance and Human Rights Programme. The establishment of the Commercial Courts was an important element in the overall reform, which included a specialisation and digitisation of the courts.

The Denmark-Ghana Partnership Policy 2014-2018 focused on the transition in the partnership when bilateral assistance was being phased out and political cooperation and commercial relations were increasing, as Ghana continued to grow its economy. Under the headline "From Aid to Trade" Danida aimed to increase synergies between the development programme and the commercial work at the embassy. The last phase of Danida's support to PSD only provided limited opportunities for synergies with this agenda. A small but coherent support to trade with a focus on Tema Port through other channels of support has, in combination with Danish investments, provided good opportunities for coherence and synergy within the Danish country programme under the 2014 Partnership Policy. However, by that time, the Danish support to international trade facilitation under BSPS up to 2010 was terminated and there was therefore no direct coherence or synergy with the PSD support.

Monitoring and reporting of the Private Sector Development Strategy and of BUSAC were primarily focused on activities and outputs with little assessment of the effects for the overall business environment and the private sector. This is partly due to difficulties of establishing

robust output and outcome indicators and targets which remain relevant throughout the programme period. Furthermore, it was envisaged that the Government would be responsible for the overall monitoring system for the PSD Strategy and the Danish embassy did not develop a full-fledged M&E system. BUSAC struggled with providing sufficient evidence for outcomes and impact in all three phases, although monitoring improved.

Frequent reference is made to GoG's willingness to undertake reforms and whether the political slogans of enabling the private sector to be an engine of growth were followed by specific actions, especially under the PSDS is unclear. Actually, the lack of GoG commitment to reforms has been cited, both in documents and in interviews, as the main cause of reduced Danida interest in continuing cooperation with central level institutions. The reasons behind this and the drivers and different interests within Ghana, for example in relation to business registration or to commercial arbitration, do not seem to have been analysed in the process. As indicated above, the changes of a more technical nature seem to have seen more progress than complex reforms involving many stakeholders. This suggests that political economy factors may have been a constraint for other more controversial areas of reform.

Women play a strong role in Ghanaian business and the private sector, but cross-cutting issues were not very prominent in the BSPS programme documents. In relation to BUSAC, gender aspects were included by considering a strategy towards female-headed businesses and capacity building strengthening women entrepreneurs.

Conclusions

1. Danida's support to Business Environment Reform 2003-2010 was relevant and included a timely emphasis on harmonisation and alignment. In subsequent phases relevance in relation to the overall business environment decreased as the support was only provided through BUSAC.
2. The commercial court system developed considerably with Danish support. Also, business registration saw some progress under the joint donor-government Private Sector Development Strategy (PSDS) 2005-2010. The overall results of the PSDS and its effect on the broader business environment were considered less satisfactory.
3. BUSAC was an efficient grant making facility and overall, advocacy projects most likely had an effect on private sector growth at local level but little effect for the business environment at national level.
4. The diversity and complexity of the factors constraining Ghanaian trade (exports) hampered the effectiveness of an over-ambitious and unfocused national Trade Sector Support Programme, but some progress was made in relation to specific areas.
5. Outside the PSD support, Danish support to trade facilitation with a specific focus on Tema Port under the 2014 country strategy has demonstrated examples of good coherence between different channels of support and the private sector.

Lessons

1. Although the harmonisation and alignment to a joint donor-government programme on Business Environment Reform contributed positively to the effectiveness of the support,

the wide scope of the programme and the complexity in terms of number of partners represented challenges.

2. Changing overall business environment reforms requires a timeframe longer than five years and reforms may not by themselves be sufficient to stimulate economic growth, exports and livelihoods.
3. Business environment reforms may only contribute to economic growth in conjunction with other measures.
4. A sustainable increase in PSO capacity is only possible under some circumstances and requires analysis of the prospect for financial sustainability in order to provide an adequate level of support. It should not be a general programme objective.
5. Monitoring and assessing outcomes of advocacy projects require a different approach than standard programme monitoring.

1 Introduction

Evaluation focus and objectives

The Evaluation, Learning and Quality department (ELQ) of the Danish Ministry of Foreign Affairs (MFA) launched an Evaluation of Danish support for improving framework conditions for Private Sector Development (PSD) in the Global South. This Evaluation was commissioned to Nordic Consulting Group (NCG). The Terms of Reference (ToR) indicated that the Evaluation would consist of four country studies: Kenya, Mali, **Ghana**, and Tanzania. It should be noted that support to framework conditions is only one part of the Danish support to the private sector development (PSD). The largest part of the Danish support to the private sector development consists of direct support to the private sector which is not the focus of this Evaluation.

The evaluation inception phase started end October 2021 and the final approved inception report is dated 8 February 2022. In this inception report, the detailed evaluation framework including evaluation questions and evaluation matrix, the detailed approach for the country studies and the work plan are presented.

The evaluation objectives focus on accountability and learning. The first objective requires evaluating past performance of the Danish interventions in accordance with the OECD-DAC evaluation criteria. In addition, it is necessary to understand what has worked and under which circumstances to draw lessons and provide recommendations in the context of Denmark's new development strategy from 2021 "The World We Share".

In this report, the findings and conclusions from the Ghana country study are presented. Regarding the second objective related to learning, the development cooperation with Ghana has come to an end and direct recommendations for the programme in Ghana are therefore not relevant. The evaluation findings will be used to provide lessons learned for future Danida programming in other countries.

Evaluation criteria and questions

There are five main evaluation questions related to the OECD-DAC evaluation criteria:

6. **Relevance:** To what extent has Danish support to framework conditions for PSD responded to the evolving needs and challenges the private sector is facing in partner countries?
7. **Coherence:** To what extent have there been complementarities and synergies between the various types of Danish support to framework conditions for PSD on the one hand and PSD support by other actors on the other?
8. **Effectiveness:** What are the results of the Danish support to framework conditions for PSD and what are the main factors affecting the results?
9. **Efficiency:** What have been the main efficiency challenges of the Danish support to framework conditions for PSD and how have these challenges been addressed?
10. **Sustainability:** To what extent has Danish support to framework conditions for PSD been sustainable?
11. **Impact:** Is there evidence on (intended or unintended, positive or negative) intermediary impact and overall impact of the Danish support to framework conditions for PSD?

In addition, there are various sub-questions and for each sub-question indicators and data collection methods have been identified in the evaluation matrix (see Annex 2).

Country study Ghana

For the four country studies, a common theory-based and utilisation-focused approach has been applied.¹ In the inception report, a sample of Danida programmes for each country was identified for in-depth research (see Chapter 2, Table 2.1 for the sample). The Ghana country study was undertaken by Lars Christian Oxe and Osman Mensah under the overall supervision of the Evaluation Team Leader Anneke Slob. Jakob Kjærtinge Faarbæk has assisted in the preparation phase by collecting and analysing programme documents and organizing scoping interviews.

The conceptual framework developed in the inception report has been applied to define the sample of programmes in Ghana to include in the Evaluation. It has been assessed to what extent specific framework conditions have been directly or indirectly addressed in the Ghana programme interventions. In order to focus the country study, three themes have been selected for analysis and the selection of the core sample is based on the bilateral support within these three themes.

Business Environment Reform is the first main framework condition theme, and it includes legal and judiciary reform as well as specific regulatory issues supported under the Business Sector Programme Support, Phase I (BSPS I) and the Support to Private Sector Development, Phase II (SPSD II), although the support envisaged under SPSPD II was not disbursed. Business environment reform is selected as a theme in all four countries because it is at the core of PSD-framework conditions. **Business Advocacy** is the second theme and includes support under the Business Sector Advocacy Challenge Fund (BUSAC) 2004-2021. Besides Ghana, Danida supported business advocacy funds in Tanzania, Kenya and Mozambique and these four programmes will be the basis of a separate thematic report of the Evaluation. Furthermore, **trade facilitation** has been selected as the third theme, due to its linkages with other Danish activity areas and the transition strategy for Danish cooperation. Trade facilitation was supported under BSPS I, and trade was one of the focus areas under Phase III in BUSAC. In line with this, trade facilitation has been selected as the thematic area for the broad sample. This means that the Evaluation Team will assess the relevance and coherence of other programmes in relation to international trade facilitation in the context of the strategy for transforming the partnership and strengthening trade between Denmark and Ghana. Skills development was also an important intervention area in Ghana where Danida funded the Skills Development Fund from 2010-2020. This programme was assessed as part of a Danida Country Evaluation of the cooperation with Ghana from 2018 and will therefore not be discussed here. The findings of the 2018 Country Evaluation were used directly in the synthesis report for this Evaluation.

During the preparation phase, some scoping interviews with key stakeholders such as former staff at the embassy were organised and documents were collected. The documents dealt on the one hand with the overall development of the private sector in Ghana and on the other hand with specific Danida-funded programmes. Prior to the field visit, a Mission Preparation Note was prepared and shared with the embassy and ELQ, including the Theory of Change (ToC), the

¹ A theory-based Evaluation is based on an explicit Theory of Change or logic model that explains the theory of a development intervention or set of interventions. Utilisation-focused Evaluations are based on the principle that an Evaluation should be judged according to how useful it is to its primary intended users.

sample, preliminary findings and gaps in information emerging from document analysis and the work programme for the field visit that took place from 25 to 30 April 2022.

The main data collection methods were document analysis (see Annex 1 for the bibliography) and interviews. During the field mission, a debriefing with the Royal Danish embassy in Accra took place. In total 22 persons were interviewed before, during and after the mission. These stakeholders included (former) embassy staff, staff at MFA Copenhagen, representatives from government authorities in Ghana at the central level, implementing agencies, other donors, and four Private Sector Organisations (PSOs). After the mission, some additional online interviews took place to fill gaps in information and for further validation.

Two Ghana country evaluations have been undertaken by Danida during the evaluation period (2008-2021)². To the extent the country evaluations treated the same issues, they have been used to cross-check information and findings. Furthermore, an evaluation involving extensive fieldwork of the business advocacy fund (BUSAC) was undertaken in 2014³, which has contributed substantially with data and findings from the two first phases of support.

Theory of Change

As indicated in the Evaluation Inception report, a reconstructed ToC (included in Annex 4) has been applied for the analysis. In the results chain of the ToC outputs, intermediary outcomes, outcomes, intermediary impact and impact have been defined. At the lower level of the results chain in the ToC, a distinction is made between support to framework conditions for the private sector on the one hand and direct support to the private sector on the other, while the global PSD programmes and policy dialogue are related to both types of support. The support to framework conditions is provided to the three main themes as mentioned above, where BER support and trade facilitation are closely related. Strengthened capacity of government and private sector actors is a key output, together with new texts for laws and policies, evidence-based policy proposals etc. This results at the intermediate outcome level in the actual adoption and implementation of new policies, strategies, laws, etc. The main focus of the Evaluation is on the realisation of outcomes, which are the results for the private sector that benefits from improved framework conditions. In addition, there are some important underlying assumptions regarding the inclusiveness of the support and the coherence between different forms of Danish PSD support. Finally, there are contextual factors that have affected the results⁴.

Evaluation challenges

The country study for Ghana encountered various specific evaluation challenges that are briefly summarised below.

Danida's support within two of the three thematic areas (business environment reform and trade facilitation) ended around 2010 and since then, the Business Advocacy Fund is the only intervention in the sample, as most other PSD interventions have been direct support to the private sector. It was therefore decided to look at the entire phase of the BSPS (2003-2010) thereby including the interventions initiated before the evaluation period (2008-2021). The emphasis on trade was an important part of the Country Policy Paper 2014-2018. As a consequence, the assessment of the synergies between the support to trade facilitation within the

² DMFA, 2008. *Joint Evaluation of the Ghana-Denmark Development Cooperation 1990-2006*.

³ DMFA, 2014. *Evaluation of the Business Sector Advocacy Challenge Fund, Ghana*.

⁴ In the ToC, only Danish and global context factors are included. Specific factors referring to the change of context in Ghana are mentioned in Chapter 2 and are part of the external explanatory factors.

PSD programme and the support under the latest country policy paper was not possible, since they were not implemented at the same time.

It has been a considerable challenge to obtain information regarding the implementation of the Private Sector Development Strategy 2005-2010. As a joint donor-GoG funded programme, the reporting and reviews have not been included in BSPS reporting and have only to a very limited extent been available to the Evaluation Team. The staff of the institutions met by the Evaluation Team were not engaged in the programme at the time. The Evaluation Team has met with several former key staff, which has provided valuable, but not very detailed information.

It is difficult to find the justification and background for programming choices between phases. Danida programme documents do in general not devote much attention to the justification of the intervention areas, and the lessons learned and basis for the choices made in programming are in general not well documented. The concept notes and the presentation to the Danida Programme Committee provide some justification but are often kept relatively short, and identification reports are only rarely prepared.

In much of the programme documentation, the outcomes defined in the log frames are considered outputs by this Evaluation based on the reconstructed ToC. Outputs were in most cases included in programme reporting, whereas outcome reporting is in the best cases only included in Programme Completion Reports.

2 Overview of Danish PSD support in Ghana

2.1 Ghana: Economic growth without transformation

Political context

Ghana is a democratic and stable country in West Africa. Since 2008, Presidential elections have three times resulted in the presidency changing parties. The current President Nana Addo Dankwa Akufo-Addo was elected for a second term in 2020. In recent years, Ghana has taken an active role in promoting regional stability and is highly integrated into international affairs. Ghana is currently a non-permanent member of the UN security council.

Ghana issued its first Growth and Poverty Reduction Strategy (GPRS I) in 2003 to cover the period 2003-2005 followed by GPRS II (2006-2009) which introduced a shift of strategic focus to accelerate economic growth with the declared objective of Ghana becoming a middle-income country. Subsequently, the Ghana Shared Growth and Development Agenda I (GSGDA I 2010-2015), and Ghana Shared Growth and Development Agenda II (GSGDA II 2014-2017) have emphasised manufacturing, based on modernised agriculture and sustainable exploitation of Ghana's natural resources, particularly minerals, oil and gas.

When becoming government in 2001, the New Patriotic Party (NPP) proclaimed the golden age of business, established the Ministry for Private Sector Development to promote business development and pursued liberal market reforms. There was a change in government in 2009 and initially, the new National Democratic Congress (NDC) government promoted the activities of the private sector, e.g., by creating a Private Sector Advisory Council (PSAC), and the promotion of Public Private Partnerships. However, the perception is that although GoG continued to maintain the private sector as the engine of growth between 2008 and 2014, there was less commitment to the private sector concerning its empowerment to lead the country's development agenda, despite pressure from development partners.

The current administration, led by Nana Addo Dankwa Akufo-Addo (NPP), continued market-oriented policies that blend with various social policy interventions to spur economic growth in the country, such as introducing tuition-free secondary education in all government schools. The New Patriotic Party government retained power in 2020 and is striving for both effectiveness and efficiency in delivering public services, although fundamental challenges persist, notably in relation to the public debt.

The pervasive corruption in Ghana has been an important contextual factor for the development cooperation throughout the evaluation period. For over two decades, Ghana's Corruption Perception Index has consistently been below average, also in relation to the private sector. Corruption is perceived to be worsening and the government's commitment to address it has been questioned. Corruption and rent-seeking have become the principal means for winning elections and maintaining alliances within ruling coalitions⁵.

Economic context

Ghana's cocoa production expanded quickly in the late 1990s, and Ghana became the world's third-largest cocoa producer. The country benefited from stable and rapid economic growth, which was accompanied by a structural shift away from agriculture and an increase in tax revenues. The country also benefited from international debt relief initiatives in the early 2000s.

⁵ UNDP, 2021. *Governance and Politics in Ghana Policy Brief*.

Offshore oil in commercial quantities was discovered in 2007. This significantly improved the country's fiscal space and generally positive economic outlook, although there were still important geographical disparities, with the three northern regions having the highest incidence of poverty. Ghana's service sector is the largest component of the economy over the last decade, accounting for about 52% of the GDP in 2021, followed by industry (34.6%) and agriculture (18.2%). Agriculture employs more than half of the workforce. The expansion of Ghana's nascent oil industry has boosted economic growth, which remains exposed to fluctuations in commodity prices.

Despite the 2008 global financial crisis, Ghana's economy initially continued with the growth trajectory primarily based on the rise in commodity prices recording real GDP growth of 9% in 2010 and 14% in 2011 (due in part to the production of oil and gas) before stabilizing at 7.3% in 2013. Ghana reached status as a lower middle-income country in November 2010 but did not diversify its income base further and did not see a structural transformation towards industry, although the services sector grew. Despite a shift away from agriculture in the overall economy, Ghana's economic growth and export remain dependent on a few commodities (cocoa, gold and petroleum) and there are a few examples of international investments in industrial development. Ghana witnessed severe power/energy crises between 2014 and 2016, which negatively impacted its private sector growth. Economic growth during this period hovered around 3%. According to the IMF, the increase in public debt and fiscal and external imbalances threatened the macroeconomic stability and was a cause of the deteriorating growth⁶.

Ghana has in recent years increased its debt-to-GDP ratio significantly, with the large majority of the debt being commercial, and this, along with the negative economic impacts of the covid-19 pandemic and more recently the war in Ukraine, has contributed to the fact that Ghana currently finds itself in a state of economic crisis. Private consumption (75.6% of GDP in 2020) has been dampened by almost 30% year-on-year inflation (June 2022) and a slowly recovering labour market due to the pandemic.

Fiscal pressures have remained high. Over the first half of 2022, the fiscal deficit reached 5.6% of GDP, well above the 3.9% target for the same period. Revenues underperformed, as the flagship e-levy was introduced late and faced major implementation challenges. As of end-June 2022, public debt reached 78.3% of GDP and interest payments reached 54.4% of revenues over the first half of the year⁷.

The annual inflation rate rose to 31.7% (an 18-year high) in July 2022, from 12.6% at the end of 2021. The impact of soaring global commodity prices (Ghana imports 40% of its fertilisers from Russia) has been compounded by the depreciation of the cedi which had lost 60% of its value against the dollar by November 2022.

Private sector

The GoG's strategy towards the private sector was governed by the National Medium Term Private Sector Development Strategy (2005-2010) and its successor, the Second National Medium Term Private Sector Development Strategy for 2010-2015 (PSDS II). This strategy sought to promote trade and investment through improvements in the business environment and the broader investment climate, combining this with developing the capacity at the firm

⁶ IMF Approves USD 918 million ECF Arrangement to Help Ghana Boost Growth, Jobs and Stability, April 2015.

⁷ [Ghana Overview: Development news, research, data | World Bank](#).

level. It also sought to develop the Government's processes and policy functions in relation to the private sector.

A major objective of the transformation agenda was to create a significant number of quality jobs whilst promoting decent work, especially in the informal sector. Other job creation initiatives should arise from accelerated investments in public infrastructure, promotion of tourism, and provision of financial, technical and ICT services. As indicated below, the Government's willingness to pursue this private sector-led growth was later questioned.

At the beginning of the evaluation period, the investment climate in Ghana outperformed most other West African economies in terms of the World Bank Ease of Doing Business index. From 2005 to 2010 the Doing Business rank of Ghana advanced from 82 to 67⁸, which is a considerable improvement. Ghana maintained a ranking just below 70 until 2016 when it dropped to 114 and remained at that level⁹. Also, the Distance to Frontier¹⁰ score deteriorated significantly from 65 to 58. Although the sudden drop may to some extent be explained by changed methodology for some of the indicators, the analysis indicates that there was a real deterioration in relation to trading across borders, access to electricity (linked to the energy constraints described above) and registration of property (which was under the responsibility of the Registrar General).

The latest World Bank enterprise survey in Ghana is from 2013, but it does provide some insights into the structure of the private sector from the evaluation period¹¹, including:

- 87% of Ghanaian companies are domestically owned (80% in Sub-Saharan Africa)
- 15% of companies have female top management and 31% have female participation in ownership (16% and 33% for Sub-Saharan Africa)
- 20% of Ghanaian companies export directly or indirectly, whereas 70% use imported inputs or supplies (15% and 61% for Sub-Saharan Africa, respectively).
- 5% of companies are shareholder companies and 60% have a sole proprietorship (20% and 55% in Sub-Saharan Africa, respectively).

The significant number of state-run enterprises (177 in 2020)¹² still play an important role in distinct economic areas in Ghana, especially utilities. Foreign direct investment has increased slowly over the years. Foreign companies play important roles in sectors such as banking and the service industry¹³. While trade, including female traders, has traditionally been a strong sector, there is an absence of domestic entrepreneurs, especially in industry.

2.2 Overview of Denmark's support to framework conditions for private sector development in Ghana

At the beginning of the evaluation period, the Danish cooperation with Ghana was implemented within the framework of both joint multi-donor assistance strategies and bilateral policies/strategies. In 2007, Denmark and other development partners in Ghana agreed on a Joint Assistance Strategy, which expired in 2010. A Denmark-Ghana Partnership Policy was agreed upon in 2014 including cooperation within PSD, human rights, governance,

⁸ World Bank Ease of Doing Business ranking 2006 and 2011.

⁹ The annual Doing Business rankings have been discontinued after an external review of data irregularities in the 2018 and 2020 versions.

¹⁰ Doing Business introduced the distance to frontier score to measure how far on average an economy is from the best performance achieved by any economy on each Doing Business indicator. The higher score, the better (opposite the ranking).

¹¹ The Enterprise surveys collect data from non-agricultural, formal enterprises.

¹² 2020 State Ownership Report, Ministry of Finance, Ghana.

¹³ Ghana Country Report 2022, BII Transformation Index.

decentralisation and tax and customs. Based on the decision to phase out Danish development cooperation, the 2014 partnership policy emphasises the transition of the partnership from aid to trade and considerations of how to further Danish investments and trade were prominent in the design of the remaining development cooperation¹⁴.

Denmark supported private sector development in Ghana from 1993 through the Private Sector Development Programme (PSDP). The first Business Sector Programme Support (BSPS) was agreed upon in November 2003 and implementation initiated during 2004 with a budget of DKK 205 million. While the first phase of BSPS was extended to 2010, DKK 400 million was allocated for the second phase, named Support to Private Sector Development (SPSD II) for the 5-year period 2010-2014, subsequently extended to 2016. The third phase, SPSP III (2016-2020), was launched as the last phase of support with a budget of DKK 140 million. The activities of SPSP III were concluded in 2021.

Table 2.1 Denmark-Ghana Private Sector Development Support, framework condition themes and direct support

	BSPS 2003-2010	SPSD II 2010-2016	SPSD III 2016-2021
Business Environment Reform	Legal and Judiciary Reform DKK 40.5 million	Private Sector Development Strategy II DKK 45 million Approved, not disbursed	
Business Advocacy	Business Advocacy Fund (BUSAC) DKK 49 million	Business Advocacy Fund (BUSAC) DKK 85 million	Business Advocacy Fund (BUSAC) DKK 35 million
Trade Facilitation	Better Access to Markets DKK 15 million		
Other relevant PSD Components	Business Support Instruments DKK 74 million Service Improvement Response Fund DKK 5 million Business Practices DKK 5 million Labour Market Component DKK 8 million (2007-10)	Skills Development Fund DKK 65 million Agricultural Value Chain Facility DKK 90 million ARP Apex Bank DKK 86 million Ghana Climate Innovation Centre DKK 65 million	Skills Development Fund DKK 95 million
Other programmes and channels of support related to trade facilitation			Tax and Development Programme (2014-2020) SSC Maritime Sector (2017-21) Port efficiency and public private capacity (2019-2020)

Note: Component budgets do not include the total programme budget due to unallocated funds.

It should be noted that most of the components Legal and Judiciary Reform and Better Access to Markets of the BSPS 2003-2010 were implemented jointly as part of the sector-wide programme Private Sector Development Strategy, which started in 2005.

¹⁴DMFA, 2017. *From Aid to Trade*.

Another important aspect is that Denmark did only provide limited funding to programmes implemented by public sector institutions beyond 2010 where Ghana attained middle-income status, including the Multi-Donor Budget Support Programme until 2016 and the Tax and Development Programme 2015-2020.

3 Business Environment Reform

As indicated in Table 2.1 above, the Danish support to business environment reform in the evaluation period consisted of the component Legal and Judicial Reform under the Business Sector Programme Support (BSPS, 2003-2010). BSPS was formulated in parallel with the national and joint donor sector-wide Private Sector Development Strategy (PSDS, 2005-2010). When the implementation programme under PSDS was agreed upon between GoG and 12 development partners, the Legal and Judicial Reform Component ceased to exist as a separate Danida project and the Danish funding was channelled via the joint PSDS basket funding together with funding from the UK, the World Bank and Germany. For the period 2005-2010, the Danish contribution to the PSDS basket was USD 4.6 million¹⁵, or 28% of the total donor disbursements to the basket. The Danish contribution was earmarked to the institutions indicated in the original BSPS document¹⁶. Besides the four development partners contributing to the joint funding arrangement, other funding for the implementation of PSDS was likely available through direct funding to the institutions from other donors but there is no information regarding the size of such contribution.

The Legal and Judiciary Reform Component of the BSPS included three sub-components within a total budget of DKK 40.5 million to three different institutions¹⁷:

- Legislative and regulatory environment for businesses under the Business Law Division of the Ministry of Justice (DKK 9.5 million)
- Business registry services under the Registrar General (DKK 9.3 million)
- Commercial dispute resolution under the Judiciary, specifically the Commercial Court (DKK 18.2 million)

Danish funding and activities were initiated before the establishment of the PSDS, most importantly in relation to the Ministry of Justice and the Commercial Court.

Under the PSDS basket fund, a total of USD 16.4 million were disbursed (approximately 61% of the funds were committed by donors). Of this funding, 12% was spent on the Ministry of Justice, 12% on the business registry and 11% with the Judiciary. It is not known how much of the Danish funding was channelled to the three institutions prior to the establishment of the PSDS pooled funding arrangement.

¹⁵ PSDS Final Progress and Completion Report, 2010.

¹⁶ BSPS Progress Report, 2006.

¹⁷ DKK 37 million allocated to the three components and the remaining as unallocated funds within the component.

Main findings regarding Business Environment Reform:

- The Danish support to legislative reform, the judiciary and to business registration services was highly demanded from both private sector and government and became fully integrated in the national Private Sector Development Strategy.
- The Danish embassy was among the leading development partners in the conception and implementation of the Private Sector Development Strategy.
- Despite a lower-than-expected rate of implementation, Danida and other development partners supported the development of a second phase of the national programme, but the second phase did eventually not materialise.
- The establishment of a separate Business Law Division in the Ministry of Justice to spearhead legislative reform appears to have been misconceived and the unit was closed a few years later.
- The Commercial Court was established and quickly became considered as a model institution in the region. The Danish support contributed significantly to this process.
- The business registration system saw some improvements during the programme period.
- Ghana's ranking in the World Bank Doing Business report improved from 82 in 2005 to 67 in 2010 and the PSDS is likely to have contributed to this within specific areas. Subsequently the rating has deteriorated.
- The improvements in business environment may have contributed to the stable and high economic growth in the period 2005-2010, but the growth has mainly been driven by commodity prices (including petroleum), and the macro-economic instability is indicated as the most important explanatory factor of the subsequent lower growth rates until 2017.
- The Commercial Courts and the Registrar General's Department have continued to develop in a positive direction and the sustainability of the interventions is assessed as very good.

3.1 Relevance

Response to specific government and private sector challenges and needs

The Danida BSPS was formulated in 2003 in the context of the Ghana Poverty Reduction Strategy (GPRS, 2003-2006), which made it clear that the private sector was viewed as the engine of economic growth, and a key tool in achieving Ghana's poverty reduction targets. By declaring 'the golden age of business' and setting up the Ministry for Private Sector Development (MPSD) to take forward this vision, the GoG signalled at the highest level its intention of putting in place strategies and policies that will allow a vibrant business sector to develop. Legal and judicial reform was considered an important element in this transformation and therefore relevant to include in the Danish funding and the PSDS.

The Government's Private Sector Development Strategy (PSDS) was launched in mid-2004 which enabled the alignment of Danish support to this programme and implementation through public institutions. Aligning with the PSDS and the joint implementation was a relevant choice given the emphasis at the time on aid effectiveness and national ownership. This is confirmed by the 2018 Country Evaluation¹⁸ stating that "Danida pursued a sector-wide approach with other DPs by aligning their support to the PSDS with the intent of enhancing the relevance of the joint contributions."

¹⁸ DMFA, 2018. *Evaluation of the Ghana-Denmark partnership 2007-2017*.

The PSDS addressed important aspects of the business environment, such as barriers to exports and trade, barriers to the domestic market and firm-level constraints and was as such considered well aligned to Danish priorities for development cooperation and the Ghana country programme. The PSDS hence included a wide array of activity areas implemented through a number of ministries, departments and agencies, initially led by the Ministry for Private Sector Development and later by the Ministry of Trade and Industry.

The PSDS implementation continued until 2010 but encountered implementation challenges. Danida had funds set aside under SPSD II for funding a second phase of PSDS and Denmark supported, together with two other bilateral development partners, the elaboration of PSDS II. Despite considerable efforts and support from the Danish side, a joint government-led programme that could continue the reform efforts was never agreed upon. A new private sector strategy was approved by GoG following a prolonged process, but the final programme proposal was eventually not supported by development partners and therefore remained unfunded. The Danida SPSD II appraisal notes that with a budget of close to USD 275 million, the PSDS II seemed to be over-ambitious and unrealistic given the challenges in coordination between the large number of ministries involved already experienced under PSDS I.

In November 2013, The Minister for Private Sector Development elaborated a Business Enabling Environment Reform Programme (2014-2017) which was considered insufficiently concrete by the Development Partners. An interim funding arrangement was developed under the title Enabling Business Environment Support (2014-2018) and subsequently approved for co-funding by Danida. However, when misappropriation of funds occurred¹⁹ shortly into the programme, the Danish funding was discontinued.

There was a common understanding that laws and regulations imposed inappropriate and unnecessary bureaucratic burdens on businesses, especially on SMEs, since much of the legal framework did not consider SMEs. A number of relevant law reforms were foreseen, e.g. the investment code, the insolvency bill and the banking bill. Besides establishing this, the programme document does not provide a description of the specific effects expected from improving the regulatory environment, only that the current framework was inappropriate, and an improved legal base would benefit private sector development in general.

The Ministry of Justice established a Business Law Division in September 2002 with Danish support as an anchor point for the prioritisation and coordination of the numerous pending law reforms. The relevance of establishing a Business Law Division and the support to the Ministry of Justice was later questioned because the line ministries are considered more important when it comes to developing new legislation. The Business Law Division was later cancelled.

The business registration system managed by the Registrar General's Department was according to programme documentation, in disarray. The business registration was not consistently undertaken and updated, with negative consequences for the formalisation of companies, acquisition of companies and business credit worthiness. The support provided through the PSDS included introducing new registration systems, increased digitalisation, new equipment and strengthening of staff competences. It was based on a strategic plan developed by the Registrar General.

The support to the strengthening of the judiciary, including the establishment of a Commercial Court in 2005 as a special division of the High Court and in a separate building should address

¹⁹ Described in the Project Completion Report.

important constraints in the normal court system in relation to enforcing commercial contracts and dealing with commercial disputes. Especially the lengthy procedures in the normal court system imposed additional costs on the private sector, a disincentive to invest and affected the cost of lending and the availability of credit. Furthermore, the general judicial reform aimed at establishing specialised courts, not only for the commercial area.

By establishing a Commercial Court, the GoG furthermore responded to pressure from the private sector, especially from financial institutions. The private sector was included in stakeholder consultations and the development of plans for the Court, and a user’s committee was established to ensure that the Court would be responsive to private sector needs.

During the field visit, the Evaluation Team met with representatives from the court who were very positive and outspoken about the Danish role in establishing the Commercial Court. Danida’s Good Governance and Human Rights Programme already provided funding for the justice sector in Ghana, and Denmark provided support for the establishment of a Commercial Court in Tanzania. The Chief Justice appeared in front of the Danish parliamentary committee to convince them that Danida, against the normal practice, should fund the establishment of a new building, which was subsequently agreed upon.

3.2 Effectiveness and impact

As indicated in the ToC (Annex 4), the outputs in the form of capacity building and changes in the business environment (legislation or practice) are expected to lead to private sector benefits at outcome-level, such as reduced cost and risk, which would eventually increase the level of investments, private sector growth and employment. This corresponds to the logical framework of the BSPS Component 1. Based on the available programme reporting and other sources, the Evaluation Team has assessed the extent to which the Danish support has contributed to strengthening institutional capacity and improving the business environment, which is discussed below under outputs. To what extent these possible outputs have led to changes for the private sector, or the economy is discussed under outcomes and impact, below. The possible coherence and synergy and the integration of cross-cutting issues, which are included in the ToC as assumptions, are discussed in Chapter 6 across all thematic areas.

Outputs

Table 3.1 below presents the level of achievement of outputs and intermediary outcomes in line with the ToC (see Annex 4). The overview is based on PSDS performance reports and reviews. As indicated above, initial activities and outputs indicated in the BSPS component description were later overtaken by the joint PSDS planning and reporting and outputs were modified during the implementation, while here the ToC definitions have been used.

Table 3.1 Realisation of outputs and intermediary outcomes of BER support to Ghana 2003-2010

Intervention area	Expected key outputs/intermediary outcomes	Actual outputs/intermediary outcomes	Comments
Legislative and regulatory environment	Programme for business law reform drafted and approved by Cabinet	The programme was not prepared	The Business Law Division did not have a mandate to prepare a law programme

Intervention area	Expected key outputs/intermediary outcomes	Actual outputs/intermediary outcomes	Comments	
	Mechanisms for engaging the private sector in law process established	Consultation mechanisms established	This activity area was under PSDS undertaken by the Ministry of Trade and Industry as the coordinating ministry for the PSDS	
	Law reform programme implemented	Revision of the Companies Code, the Insolvency Bill and work on Intellectual Property Rights	Law revision of selected legislation was undertaken but not completed during the five-year implementation of PSDS	
Business Registration	Business registration reform strategy developed and agreed	Done in 2005	The reform strategy was a reference for the initiatives under PSDS in relation to business registration	
	Capacity development of Registrar General's office	Training of staff throughout the programme period, provision of equipment, software, consultants, etc.		
	Improved access to services of the business registration	Automated and customer-friendly front office at the Registrar-General's Department		
		Offices in Takoradi, Kumasi and Tamale and agreement with Ghana post	Ghana post facilities used as collection points for business registration	
	Electronic database for registration established and 80% of files digitised	Only digitisation of the files, not the registration procedure		
Commercial dispute resolution	Commercial court constructed and equipped	Commercial court established March 2005 with all equipment	Preparatory work for design and tendering was done before the programme	
		11 local commercial courts established (by 2010)	Circuit courts refurbished and converted to commercial courts	
	Capacity building of commercial court	Training and procurement of equipment undertaken throughout	Digitization of case files not achieved	
	Alternative dispute resolution introduced	Alternative dispute resolution made mandatory	Purpose to reduce court case load	

Sources: PSDS Performance assessment, BSPS Progress reports and review aide memoir.

As Table 3.1 indicates, there was good progress in relation to the Commercial Courts, some progress in relation to business registration and very little progress in the law reform process, partly due to the ill-conceived role of the Business Law Division (see further below under sustainability). Although the larger law reform package was not developed, preparatory work and drafting of specific pieces of legislation were funded by the programme, including the

Companies Code, considered a tool against corruption and money laundering. However, the Act was only finalised and approved in 2019.

The final progress and completion report of PSDS highlighted the Registrar General's Department (RGD) and the Judicial Service (i.e. the Commercial Courts) as the two MDAs (ministries, departments and agencies) out of the 13 involved where most progress had been achieved under PSDS.

Actual activities in the RGD seem not to have started until 2005 awaiting the elaboration of a strategy and selection of an implementation team within the RGD. The strengthened RGD led to an improvement in the approach to the businesses, improvement in office space and equipment, enhanced access to their services through the opening of regional offices, an increase in the number of businesses registered and significant increases in revenue generated from business registration. The various initiatives led to an increase in the number of businesses registered from 23,984 in 2005 to 45,030 in 2009.

In the case of the Judicial Service, the Commercial Court was established as a separate division of the High Court and a separate building for the commercial court was constructed. Access to commercial justice was extended to the regions. Including Accra, there were 12 Commercial Courts refurbished and equipped throughout the country at the end of the programme. Furthermore, Alternative Dispute Resolution was introduced as an important alternative to the long litigation process.

In addition to the specialisation of the Ghana Courts (which was part of the rationale for the establishment of a separate Commercial Court), the overall judiciary reform programme included elements of establishing new infrastructure (access to justice), capacity building, digitisation, procedural reviews and an increase in the use of alternative dispute resolution. The programme contributed to all of these in relation to the Commercial Courts but perhaps the least progress was seen in relation to digitisation. An e-justice programme was subsequently implemented in 2016-2019 supported by the UK.

Driven by a strong management team and a dynamic Chief Justice, the Commercial Court was already on a steep development trajectory but the Danish focus, before and during PSDS, and the financial support from Denmark and other PSDS donors, was instrumental in establishing the physical structures for the courts and in strengthening the human resources.

These well-performing intervention areas constituted substantial elements in the overall PSDS but there were also a number of intervention areas under the PSDS that saw insufficient progress and the disbursement rates were generally lower than anticipated. For the entire PSDS action plan 2005-2010 the total amount spent was about USD 16.4 million compared with an initial total commitment of USD 30 million, which also indicates a lower-than-expected implementation rate. As indicated above, Denmark contributed 28% of the funding.

Outcomes and impact

Table 3.2 below presents the outcomes available for two of the three sub-components. The number of businesses registered annually increased substantially and as indicated in the table below, the time for registering a business was reduced. The data from the sources available are not entirely consistent but most point in the direction of an improvement in the programme period.

Table 3.2 Realisation of outcomes of BER support to Ghana 2003-2010

Intervention area	Expected outcomes	Actual outcomes	Comments
Business Registration	Time for registering a business reduced	Number of days to register a business reduced from 18 days to 12 days according to PSDS reporting (from 31 days to 2 days according to BSPS completion report)	An explanation for the considerable differences has not been identified
		WB doing business indicating reduction from 81 days in 2006 report to 12 days in the 2011 report	
Commercial dispute resolution	Time for settling court cases reduced	75% of commercial court cases settled within six months	Compared to average of three years in regular courts

Sources: BSPS I Completion Report, PSDS Final progress and completion report, 2010, World Bank Doing Business Report.

In relation to the commercial dispute resolution, reliable data for the time used to settle commercial cases before the establishment of the commercial court are not available but all sources point towards a very significant improvement. Following subsequent installation of equipment, staffing and training, the Commercial Court quickly became operational, and it was considered a very concrete and well managed result of the Danish-Ghanaian cooperation. The Ghana Commercial Court is reported to have become a model institution in the region²⁰. The institutionalization of the Alternative Dispute Resolution mechanism as part of the Commercial Court processes led to approximately 75% of cases being handled through mediation within three months as against cases at the regular courts dragging on, in most cases for several years²¹.

To which extent the separate and distinct building Ghana Commercial Court constructed with Danida funding in Accra played a role in establishing as a well-functioning court cannot be determined with any certainty. Suffice to refer to an article describing the Ghana commercial court as an “island of effectiveness” and suggesting that the physical distinction of a separate building in combination with other factors played a role in emphasizing this distinctiveness that attracted good judges and promoted good behaviour, despite little personal short-term gain for employees.²²

From 2005 to 2010, during the period of BER support, the Doing Business ranking of Ghana improved considerably from a position of 82 to 67²³. Ghana’s ranking in relation to “starting a business” (including business registration) improved from 145 in 2006 to 99 in 2010 and in relation to “enforcing contracts” (which encompasses commercial justice) the ranking improved from 50 in 2006 to 45 in 2010²⁴. From 2015 Ghana’s Doing Business ranking deteriorated again.

As indicated in the PSDS completion report, Ghana scored better than most other Sub-Saharan countries on several Doing Business indicators. Ghana maintained a ranking just below 70 until 2016 when it dropped to 114 and remained around that level²⁵. It is not possible to establish a direct causal relationship between the programme activities and the doing business indicators,

²⁰ Cofie, S, 2007. *Ghana – Establishment of the Commercial Court*. IFC Smart Lessons.

²¹ PSDS I Final Progress and Completion Report, GoG 2010.

²² McDonnell, Erin Metz 2017. Patchwork Leviathan: How Pockets of Bureaucratic Governance Flourish within Institutionally Diverse Developing States. SAGFE.

²³ World Bank Ease of Doing Business ranking 2006 and 2011.

²⁴ World Bank Doing Business Reports 2007 and 2011. Rankings on sub-categories were not available before 2007.

²⁵ The annual Doing Business rankings have been discontinued after an external review of data irregularities.

but it is fair to assume that these have contributed to the improvement within specific areas, notably business registration and settling of commercial disputes in the programme period up to 2010.

In relation to the sub-component aiming to improve the legislative and regulatory environment, given the modest progress in relation to outputs, it has not been possible to identify any corresponding outcomes. The desired effect of having a separate Business Law Division did apparently not materialise.

The data from enterprise surveys in 2007 and 2013 (which are the surveys closest to the evaluation period) are presented in Table 3.3, below. It should be taken into account that such perception surveys could be influenced by events close to the time of the survey, but the data is considered reliable. It represents a mixed picture. Fewer bribes are needed when getting an operating license, but it takes much longer time. The percentage of firms that think the court system is fair was much higher just after the establishment of the Commercial Court than in 2013, suggesting a deterioration of value, perhaps with the introduction of extensive alternative dispute resolution. Quality certification has increased, which may in part be attributed to the Ghana Standards Authority (see Chapter 5).

Table 3.3 Development in selected enterprise survey indicators 2007-2013.

	2007	2013	SSA 2013
% firms expected to give gifts when obtaining an operating license	22.6	19.1	20.6
Days to obtain operating license	6.4	24.5	23.2
% of exporter firms	24.4	18.9	11.3
% of firms that use imported material or supplies	51.1	68.5	60.5
% of firms meaning the court system is fair, impartial and uncorrupted	59.8	44.4	47.6
% of firms with internationally registered quality certification	6.7	9.2	16.4

Source: Ghana Country Profile 2007 and 2013, World Bank/IFC Enterprise Surveys.

The Danish support and the PSDS aimed at a strengthened and pro-poor private sector-led growth. The economic growth per capita in Ghana remained strong at about 5% per year 2005-2010²⁶. The share of the population living in poverty decreased from 23% in 2005 to 11% in 2012²⁷. Subsequently the growth reduced, mainly due to macro-economic instability and low commodity prices.

Despite the economic growth, the employment to population ratio decreased from 69% in 2006 to 65% in 2015²⁸ and in the PSDS completion report, the GoG concluded that there was a lack of immediate impact on livelihoods, because “the type of investment climate reforms undertaken under PSDS takes time to translate into impacts such as jobs or improved incomes”²⁹. The Evaluation Team concurs with this assessment.

²⁶ World Bank data.

²⁷ World Bank data.

²⁸ Employment to population ratio, 15+, total (%) (modelled ILO estimate) – World Bank Data Ghana.

²⁹ PSDS I Final Progress and Completion Report, 2010.

3.3 Sustainability

The Commercial Courts, and to some extent also the business registration system, continued to experience improvement in performance after the Danish support ended.

The Registrar General reported that 92,265 companies were registered in 2019³⁰ (compared to 45,030 in 2009) and the number of days needed to register a business is now 14 days³¹, which is a deterioration compared to 2011. According to the interviews undertaken by the Evaluation Team, business registration continues to be a problem and companies have to hire specialised individuals (“go-betweens”) to get the paperwork done. Digitisation of the business registration has continued, although the process is still not fully digitised. Recently, business registration in Ghana has moved to a separate unit, the Office of the Registrar of Companies, which has been established in 2022 as prescribed in the Companies Act of 2019.

The Commercial Court continues to be a special division of the High Court. It is currently operational in seven out of the 10 regions of the country. There are now 24 commercial courts in Ghana: 10 in Accra, two in Cape Coast, two in Koforidua, four in Kumasi, two in Sekondi-Takoradi, two in Sunyani and two in Tamale³².

In 2015, the Commercial Court in Accra moved to the area of the lower courts and therefore out of the building funded by Denmark and into new buildings, still independent from other courts.

It has been reported that although Ghana’s Alternative Dispute Resolution Act has done well in providing a widely used framework for the settlement of commercial disputes through alternative dispute (ADR) mechanisms. ADR mechanisms, like litigation, also include the risk of delays or remaining unresolved, especially in cases where the government is involved³³. In general, however, arbitration is more effective in resolving commercial disputes as compared to the normal court arbitration system³⁴. Despite initial resistance from clients, as the commercial court earned a reputation for quick and professional trials, justices leveraged this good reputation to impose ADR and most users became in favour of ADR after experiencing it³⁵.

The Business Law Division, which was established in the Ministry of Justice with Danish support and appointed as the unit implementing the sub-component “Legislative and Regulatory Environment” of BSPTS I, struggled to find its place in the Ministry of Justice organisation. Unlike the International Law Division, which was established earlier, the Business Law Division had no legal basis whether as a permanent or an ad hoc arrangement. As indicated in the PSDS second review report³⁶ “It appears to be a project funded partly or fully by Danida. There is thus the danger that its very existence could be threatened should the donor funding cease.” As indicated above, the mandate of the division also raised some questions, and it was later discontinued as a separate division with its core functions of coordination being included in another unit in the ministry.

³⁰ [Registrar General's Department \(rgd.gov.gh\)](http://rgd.gov.gh).

³¹ WB Doing Business Report 2019.

³² [Ghana | Standing International Forum of Commercial Courts \(sifocc.org\)](http://sifocc.org).

³³ Odoi, Reginald Nii, 2022. *An Introduction to the Commercial Law of Ghana*.

³⁴ Frimpong, Augustine et al, 2018. *An Examination of Commercial International Dispute Resolution Framework in Ghana and the United Kingdom*. Research Gate.

³⁵ McDonnell, Erin Metz 2017. Patchwork Leviathan: How Pockets of Bureaucratic Governance Flourish within Institutionally Diverse Developing States. SAGFE.

³⁶ PSDS Performance Assessment Report for 2nd Joint Review Meeting, MOTI, 2006.

3.4 Explanatory factors

The support to Business Environment Reform was provided over a relatively short time span (2003-2010). As part of the joint donor programme PSDS, there was good progress in two areas that Danida initially focused on: Commercial courts and (to some extent) business registration. Overall, the PSDS programme was not considered successful. The most important explanatory factors for this were that changing governments were less willing to advance on the previously announced reform agenda. In addition, the PSDS was far too complex, involving many MDAs making coordination and priority-setting difficult. Despite improved ratings of the business environment, the PSDS completion report suggests that investment climate reforms are necessary but not sufficient to achieving economic transformation and jobs. Ghana did not experience a transformation in the economy despite the opportunities given with a number of years with good growth.

The reasons why the PSDS II did not materialise are diverse. The PSDS management in MOTI suggested that the programme management did not have authority over the implementing institutions (the ministries) which hampered implementation. It has also been mentioned that the Government which followed the 2008 elections prioritised infrastructure investments over institutional reforms and from donor side there was a sensation of lack of government willingness to move forward on the reform agenda initiated by earlier administrations. The development partners only to a limited extent adhered to the joint funding arrangement channelling substantial funds outside the common basket. In fact, the aligned donors committed some USD 30 million to the pooled funds but committed over USD 200 million to interventions they managed independently³⁷. As indicated above, PSDS II was furthermore considered over-ambitious in its formulation.

We know that the dialogue between development partners and the GoG deteriorated in these years, also in relation to the dialogue structure around the general budget support³⁸. This happened in the overall context of waning support among development partners to the aid effectiveness agenda. It has been confirmed through interviews that both on donor side and on government side there was a certain fatigue in relation to the joint dialogue and the (sector) budget support. Denmark continued with general budget support until 2016.

As indicated above, there was considerable variation between the progress of the various components of the PSDS. The sector-wide approach as a modality does not seem to explain these differences but the reasons should rather be found in differences in the organisational capacity of the ministries, departments and agencies.

The good progress and the achievements in relation to the business registration and, especially, the Commercial Court were explained by a number of factors, including strong ownership of the reform strategy, a capable management team in the implementing institutions with an ambition to make a difference. In the case of the Registrar General's Department, there was a clear incentive that if successful, the Department would be fully self-financed from the revenue generated from licenses. These factors were confirmed as being present during the field work. As an example of individual management skills playing a role, it has been indicated that when a well-versed procurement officer at the Registrar General's Department was replaced by a less effective individual, the implementation rate slowed down. Both units included private sector

³⁷ PSDS Final Progress and Completion Report, 2010.

³⁸ EU Development Cooperation, 2017. *Joint Evaluation of Budget Support to Ghana (2005-2015)*.

user groups, a practice which continued after the programme, and which is also meant to have influenced the development of an improved service delivery.

As indicated above, there is evidence suggesting that the Business Law Division in the Ministry of Justice was essentially a Danida-funded unit without legal basis or a well-defined organisational mandate. It is not possible to say whether its establishment was driven by Danida, by people in the ministry or a combination but it seems to stand out as an example of a futile attempt to improve national institutions if such changes are not based on law.

When reviewed over the period, the business law reforms were in general excruciatingly slow. These processes are at the core of the transformation to a market-driven economy and, as indicated in the literature, there was no well-implemented industrial policy in Ghana, which could have addressed constraints in relation to specific, prioritised sectors besides the cocoa, gold and petroleum sectors³⁹.

³⁹ Whitfield, Lindsay, 2011. *Political Challenges to Developing Non-Traditional Exports in Ghana: The Case of Horticulture Exports*. DIIS.

4 Business Advocacy

The Business Sector Advocacy Challenge Fund (BUSAC) was established in 2004 and received Danish funding of a total of DKK 169 million over three phases up until its closing in 2021.

Table 4.1 BUSAC budget commitments and disbursements 2004-2021 (million DKK)

Mio. DKK	Actual duration	Danida commitment	Other donor contribution
BUSAC I	2004-2009	48.7*	31.7* (UK and USAID)
BUSAC II	2010-2016	85.1	51.0 (EU and USAID)
BUSAC III	2016-2021	35.0	86.4** EU (52.2) and USAID (34.2)

Sources: Programme documentation.

Note: Danish disbursements equalled the commitments in Phase I and II. It has not been possible to obtain information on total disbursements under BUSAC III. There is considerable uncertainty about the total commitments and disbursements from other donors.

* Amount indicated in PCR in USD. USD/DKK exchange rate indicated in PCR as 5,41.

**EU contribution only partially disbursed.

Main findings regarding Danish contribution to Business Advocacy in Ghana:

- BUSAC was established at a time when the business environment was high on the agenda and provided a relevant supplement to the reforms driven by government.
- Approximately two thirds of the advocacy projects supported local organisations (often farmer organisations) in their lobbying for resources and did not address the overall business environment.
- BUSAC provided 1163 grants in all regions in Ghana, of which 890 advocacy grants. Based on the available documentation it is estimated that the authorities subsequently undertook the change aimed for (allocation of resources, change in policies, laws and regulations or the enforcement of them) in approximately half of the projects supported.
- The advocacy capacity of PSOs was strengthened through training and active engagement but the number of members of the PSOs did not increase significantly.
- Although the advocacy capacity of many PSOs improved, the large majority of them do not have in-house staff or funding to undertake research of specific issues thereby replicating the approach they have used under the BUSAC funding. Still, advocacy efforts continue at a lower level, in smaller PSOs and often through elected representatives.
- Despite several attempts to undertake impact studies, the documentation of further outcomes in relation to changes in the business environment is weak.
- The available evidence, based on cases, suggests that the effects at outcome level were most pronounced from the local level projects that in some cases contributed to employment and income creation.
- There are only a few cases that suggest that BUSAC may have contributed to outcomes in relation to specific aspects of the business environment but nothing to suggest a contribution to the overall improvement in the beginning of the evaluation period.

With Denmark as initiator and lead donor, USAID, initially the UK and later EU provided substantial funding to the programme. In BUSAC II funding from EU and USAID was provided via Danida and it was the first delegated cooperation of USAID in Ghana. BUSAC was governed by a Board composed of individuals from the private sector, from government and

from research. The fund management was outsourced to a management consultant (the Danish company COWI) for all three phases.

BUSAC has evolved over its lifetime based on the experience gained and aligning to changing government and donor policies. An independent evaluation of BUSAC commissioned by Danida's Evaluation Department in 2014 provided a number of findings and recommendations. This assessment relies to a large extent on the findings of the 2014 BUSAC evaluation in relation to the first two phases of BUSAC. The data collection has therefore focused on the third phase of BUSAC support (2016-21).

4.1 Relevance

Response to specific government and private sector challenges and needs

BUSAC was launched in 2004 in the midst of an apparent GoG drive to give priority to further developing the private sector and engaging the private sector directly in dialogue. The Private Sector Development Strategy (PSDS) was under preparation, and it was recognised that there was no effective dialogue on private sector policy and reforms between the public and the business sector. The timing for launching the business advocacy programme was therefore good.

The Private Sector Organisations (PSOs) had limited capacity to formulate policy proposals and lobby for reform and was generally suffering from a bad image in the administration, which the general public perceived as creating a negative business culture with unethical practices and limited compliance with legal requirements, business regulations and contractual obligations. BUSAC I was seen as an integral part of a broader range of interventions aimed at strengthening the culture for business in Ghana. Together, the three sub-components of the business culture component⁴⁰ were supposed to “contribute to an improved enabling environment for the private sector”. Establishing BUSAC was therefore relevant and timely in view of the national policy formulation processes at the time. When a second phase of the PSDS was not agreed after 2010, question marks regarding the GoG commitment to change started to appear but this did not seem to influence Danida's willingness to continue funding business advocacy.

BUSAC included a dedicated output to the establishment of public-private dialogue, at national level, which was administered as a demand-driven fund based on applications from single PSOs or coalitions of PSOs. Relatively few projects were awarded under this window and the question is whether this was a realistic ambition from the outset. In Ghana, there was in much of the evaluation period no mechanism for long-term engagement and dialogue between Government/public sector institutions and private sector operators. There have been several initiatives, either by Government, the private sector or Development Partners, to create forums aimed at improving consultations between Government and the Private Sector, including the Ghana Investors Advisory Council, the Private Enterprise Foundation, the National Economic Dialogue Forum and PSD Working Group⁴¹. In view of the challenges of establishing such fora, it could be questioned whether BUSAC's strategy of supporting new public private dialogue platforms was relevant.

Although BUSAC was conceived in parallel with PSDS and later PSDS II (which was not implemented), BUSAC did not specifically prioritise or address issues relevant for the PSDS. BUSAC was designed not only to promote the private sector but with a strong emphasis on giving voice to private sector groups that at the time were not organised in advocacy, such as

⁴⁰Service Improvement Response Fund and the Business Practices were later combined in a project on business ethics.

⁴¹ Ministry of Trade and Industry, personal communication.

rural, informal and agriculture-based operators as well as women. This element was especially strong under BUSAC II where farmer-based organisations explicitly became a prioritised target group, and a BUSAC office in Tamale in Northern Ghana was opened. USAID as a co-funding partner contributed to strengthening the emphasis on the agriculture sector in Northern Ghana in order to seek coherence with other USAID programmes.

Under BUSAC I and BUSAC II, most projects were at local level. However, projects at local level were considerably reduced in the third phase due to a change in strategy. Projects under BUSAC I and to some extent BUSAC II also included training projects and support to media. BUSAC's end-of-project compendium indicates that 36% of the projects were at national level and the remainder at district and regional levels.

The emphasis towards a local (regional/district) approach meant that it was only partially aligned to issues measured in the Doing Business survey which are national in nature. According to BUSACs reporting, 45% of all projects were in the agriculture sector (with 36% in industry and 19% in services) and 47% of all awarded grants were related to business environment issues⁴². The broad eligibility criteria for PSOs meant that most applications submitted could receive funding, and various reviews have pointed out that the bulk of advocacy projects had little to do with the business environment (see further below). The 2014 evaluation only identified three grant projects that might directly improve Ghana's position in the World Bank Doing Business ranking. Since the overall objective for BSPS was stated as "Equitable growth in production and employment achieved through development of a competitive and vibrant business sector", the relevance of this focus on the local level could be questioned. This was also one of the conclusions of the 2014 BUSAC evaluation.

Following the recommendations of the 2014 evaluation, more emphasis was put on invitational grants⁴³ to address issues of national importance and most of the funding for advocacy projects under BUSAC III was allocated to advocacy at national level. Approximately a third of the projects under BUSAC III seem to have addressed national level issues which meant that the relevance in relation to business environment was strengthened.

4.2 Effectiveness and impact

BUSAC aimed at promoting a vibrant business sector by improving the advocacy capacity of PSOs. According to the reconstructed ToC (see Annex 4), BUSAC should deliver outputs in the form of capacity strengthening of PSOs, established public-private dialogue platforms and enhanced media coverage and knowledge platform. The intermediary outcomes are, "strengthened public-private dialogue" and a "changed perception in government of PSOs as a dialogue partner and policy reforms", i.e. changes in policies, legislation or regulations. This would lead to private sector benefitting by having reduced risks or costs or better access to markets (outcomes), which subsequently would increase private sector investments and strengthen private sector growth and poverty reduction and other sustainable development goals (impact).

⁴² According to the end-of-project compendium, the remaining 53% of projects were related to agriculture, HRBA and green growth. It is noted that these four categories of projects do not seem mutually exclusive and that the share of agriculture projects is inconsistent with the reported sector distribution.

⁴³ Invitational grants were projects which were not identified as part of the normal application round but by the Fund Manager approaching specific PSOs to suggest an advocacy project.

Outputs and intermediary outcomes

Table 4.2 below indicates the achievement of the main output indicators under BUSAC III, whereas the findings from the 2014 evaluation are used for earlier phases.

Table 4.2 Realisation of outputs and intermediary outcomes, BUSAC III, 2016-2021

	Target	Achieved
1. District and community advocacy completed in line with objectives	100 projects achieve targets 25 rapid response projects 25% women engaged	58 projects completed and 39 projects achieved targets (68%) 14 rapid response projects 62% women engaged
2. National level advocacy projects completed in line with objective	50% achieved objectives 20 green growth projects 20% women engaged	72 projects completed and 35 projects achieved targets (49%) 24 green growth projects 28% women engaged
3. Public private dialogue platforms	10 platforms created 40% meeting +2 times/year	7 platforms created 67% meeting +2 times/year
4. Post-advocacy follow-up	30 per year	31 in total
5. PSO capacity to deliver BDS services increased	150 PSOs trained (40% women)	167 PSOs trained (40% women)

Source: Final Results Report, BUSAC III and BUSAC Annual Progress Report 2020.

As indicated above, BUSAC deliberately targeted local level advocacy projects, especially through farmer organisations. Under BUSAC III, the achievements in relation to these projects were lower than expected. Only 58 projects were completed and of these it is indicated that 39 projects⁴⁴ fully achieved their objectives (corresponding to 68%).

Similar data is not available for BUSAC I and II, but according to the 2014 evaluation (Table 4.2), the share of local level projects reaching their objectives (as reported by grantees) was 33% under BUSAC I and 45% under BUSAC II. This means that the change in law, policy or regulation they aimed at was achieved, which is considered an intermediary outcome in this Evaluation. This is comparable with the share of central level projects that reached the objectives. A review of BUSAC in 2009 estimated that 52% of a sample of 75 closed projects assessed by the review team achieved all or most of their objectives (although not all of these were advocacy projects). Finally, the PCR of BUSAC II indicates the share of projects reaching their stated objectives as 52%. Based on these sources of data, it is estimated by the Evaluation Team that approximately 50% of all advocacy projects achieved their stated objectives, although there is substantial uncertainty about this estimate.

⁴⁴BUSAC reporting indicated 39.5 projects, but there is no explanation in the BUSAC reporting as to why they count a half project, so this has not been included.

Table 4.3 BUSAC projects reaching their stated objectives, local and national level, 2003-2021

	BUSAC I	BUSAC II*	BUSAC III
Number of Projects at local level (region and district)	264	217	58
Projects with targets fully achieved at local level	33%	45%	68%
Number of projects at central level	98	65	72
Projects with targets fully achieved at central level	46%	40%	49%

Sources: Project Completion Reports and 2014 BUSAC evaluation.

*For BUSAC II only data until 2014 are included because these data were only available in the evaluation report but not in the PCR. In total, 400 projects were implemented under BUSAC II up until 2016. BUSAC III data only includes advocacy projects. BUSAC I and BUSAC II data also include capacity building projects and media projects.

There is a risk that these data, that are self-reported by grantees, are not completely reliable. However, BUSAC had external monitoring officers validating reporting and the 2014 evaluation found no major deviations when undertaking in depth review of a sample of 38 projects.

Perhaps, not surprisingly there seems to be an inverse correlation between the number of projects at local level and the share of projects reaching their stated objectives. The progress reporting indicates that it was more challenging to secure implementation according to plan for projects at local level.

The establishment of **public-private dialogue platforms** showed mixed results. Under BUSAC III there were seven platforms established addressing specific sector-level issues of which, five were considered active, for example the Construction Industry Development Forum held two annual meetings in 2020 discussing issues in the construction sector related to Covid-19. As for most of the advocacy projects, the support for establishment of PPD platforms was based on application and demand from PSOs and often it would require collaboration across several PSOs which, according to progress reporting, was challenging.

BUSAC aimed at strengthening the **advocacy capacity of PSOs** and based on the available information suggests that this was achieved to some extent. During BUSAC II, a tool was applied to assess the PSOs changes in capacity based on surveys. This tool⁴⁵ was adapted from other Danida supported business advocacy funds (Ghana and Tanzania) and includes a self-assessment of organisational capacity, relationships, advocacy and results. The survey was administered three times (before, during and after a grant project) to 238 PSOs. The results indicate significant improvements in relation to the capacity of the PSOs, in relation to advocacy and in relation to the depth of relationships and indicate minor improvements on all other parameters. The improved results and advocacy may be caused by the grant project itself and it is therefore difficult to make conclusions on lasting changes in capacity of the PSOs.

The 2014 evaluation confirms that the capacity of PSOs has been strengthened in relation to advocacy, especially with smaller organisations, including farmer organisations. This stems both from the training undertaken by BUSAC and from engaging in advocacy projects. This impression is confirmed from the interviews undertaken by this Evaluation Team. BUSAC's own

⁴⁵ The tool was developed by Annabel Jackson and David Irwin in 2007.

data only indicate a limited increase in revenue from member fees, on average, for the PSOs engaged.

As a new opportunity for PSOs, BUSAC III introduced funding of business development services, such as training and advice, for PSO members implemented by the PSOs. This funding window, which in essence was direct support to the private sector, became popular especially among farmer organisations and constituted 25-30% of funding each year under BUSAC III. Media support previously provided under BUSAC I and BUSAC II were discontinued under BUSAC III, which had a budget of considerably less than the two first phases, after the funding from EU was discontinued. Funding business development services provided by PSOs to their members was intended to increase member satisfaction and subsequently the member base of PSOs. However, the number of members in the targeted PSOs remained close to constant over BUSAC III according to BUSAC’s own figures⁴⁶.

Outcomes and impact

The separate funding windows of BUSAC aimed at achieving outcomes in two different ways:

- Advocacy projects aiming at decreasing cost and risk of doing business through policy and regulatory improvements (including tax reductions) by enactment of new policies, laws and regulations or strengthened enforcement. These projects targeted the formal sector and included both issues related to the business environment and issues related to the broader investment climate.
- Advocacy projects aiming at higher productivity and income for smallholders and rural informal businesses by facilitating access to markets, production inputs, technical advice, energy, transport and storage infrastructure. Most of these were at local level benefitting a specific advocacy group in that area and they often involved convincing public authorities to increase investments or improve services towards that group.

The list of projects in Annex 5 includes the project information available in BUSAC III annual progress reports and an end-of-project compendium. It includes a selection of projects initiated under BUSAC II and BUSAC III. These 44 projects were included in the BUSAC documentation as good impact cases. They are not representative for all projects supported by BUSAC, but it seems fair to assume that these are the cases that BUSAC considered demonstrated the best outcomes. Table 4.4 below indicates the distribution of the 44 projects in relation to the two strategies described above.

Table 4.4 Selected BUSAC cases by type of objective

	Number of projects	Projects with documented contribution
National agriculture and food sector	7	2
Local small-scale producers	19	10
Business environment, primarily formal sector	14	3
Investment climate, primarily formal sector	4	1
Total	44	16

Sources: End-of-project compendium and BUSAC Annual Progress Reports 2017, 2018, 2019 and 2020. See further details in Annex 5.

As indicated in Table 4.4, in the assessment of the Evaluation Team, only 16 of these 44 project presentations include any form of documentation of the outcomes. A wide definition of

⁴⁶BUSAC III, Final Results Report, 2021.

“documentation” has been applied in the sense that no cases have quantified results or considerations of the counterfactual. Most cases did not include any reference to either the post-project implementation of the agreed changes or to the effects for PSO members or private sector at large. At the best they included references to PSO members expressing some outcome achievements. Some cases have been included here as having documented a contribution because the effects would be obvious, like in the case of tax reductions. The scope of the project contribution and the significance compared to other factors cannot be determined.

With these caveats in mind, the overview indicates that among the projects included in reporting by the BEST Fund Manager as “good impact cases”, agriculture and other primary production (fisheries, forestry) constituted more than half the projects and the outcome of these projects was generally better documented, especially the effects of local level projects. The cases demonstrate that local advocacy groups in many cases managed to attract the authorities’ attention and convinced them to invest in transport infrastructure, land use planning, seedlings, dams, extension officers, access to electricity, etc.

Only 14 of the 44 cases include projects aiming at improving the business environment and of these, the project contribution has only been documented to some extent in three cases. These are, the enforcement of the duty drawback scheme, the elimination of bidding guarantees in the construction sector and the reduction of a number of taxes and levies in 2017. If this sample is representative of ‘good impact cases’, it is interesting that there are so few cases at national level. Some of this may be because local effects within a defined target group are easier to document than national level effects. Furthermore, national legislation processes run over long time and are influenced by many factors and assessing the significance of the BUSAC contribution is difficult.

An example of lengthy national legislation processes is the advocacy in relation to the Corporate Insolvency Act which was approved in 2019 but had been under discussion for a number of years. In addition to official liquidation, the new legislation makes it clear that liquidating a company should be a means of last resort. The law aims to give distressed companies an opportunity to weather the storm and not be submerged by it unless the situation of the company is very bad, thereby introducing a culture of business rescue in Ghana. BUSAC supported the Ghana Association of Restructuring and Insolvency Advisors who drafted the bill, but it is likely that many other groups have also provided their advice and opinion in the law-making process. Demonstrating the effects of such legislation would only be possible after some years and by undertaking a dedicated study.

BUSAC commissioned a so-called impact study to assess the effects of BUSAC-supported projects, undertaken by the University of Cape Coast in 2014. Based on surveys with a sample of PSO members and a control group, the impact study finds a larger increase in employment, turnover and profit of the PSO members than with the control group. The findings should, however, be treated with caution due to a number of methodological shortcomings⁴⁷, which were demonstrated by the 2014 evaluation. Another impact assessment was undertaken of SPSD III in February 2021⁴⁸ and included a chapter on BUSAC III. The study concludes that based upon the changes of policies, laws and regulations that BUSAC contributed to, “It is expected that this achievement will be reflected in Ghana’s ranking on the World Bank Ease of Doing business indicator, increased foreign direct investment to the country as well as an increase in locals who

⁴⁷The shortcomings include possible selection bias and questions regarding selection of the control group. The grantees included both advocacy projects and business development services without distinction.

⁴⁸Final Impact Study Report, EY, February 2021.

set up and run their own businesses.” The impact study does not further substantiate this. Based on surveys, the impact study estimates an increase in jobs and incomes from SPSD III, including BUSAC’s component of direct support to businesses. These findings should however be taken with caution due to methodological issues⁴⁹.

There is therefore little documentation of the extent of the changes in the overall business environment or in relation to specific issues and more could have been done to provide this evidence and use it for learning. As indicated by the 2014 BUSAC evaluation, even when the advocacy project ends with an agreement with the authorities, they have far from always the capacity and the funding to provide the necessary follow-up to implementation and the Evaluation found no clear evidence of effects of BUSAC at the overall business environment.

The predominance of local projects advocating for public investments or services to the specific group or community may have provided benefits for the specific members of the advocacy group. However, it raises the issue of whether these public investments were the most effective from an overall resource allocation perspective or whether they took place to the detriment of other groups who, consequently, were deprived of investments or services. This could very well have been the case, assuming that the total budget for the specific authority remained constant. One of the assumptions in the ToC is that the PSOs have legitimacy, and this element seems to be underlined by the finding that most project achievements benefitted stakeholders locally. Member influence and transparency within a PSO become vital for ensuring a fair distribution of those benefits between members of the organisation. Through its capacity building activities, BUSAC addressed the need for strengthening PSO advocacy capacity and financial management but there is little evidence of specific initiatives in relation to strengthening PSO governance in BUSAC II or BUSAC III.

GRIB - Ghana Rice Inter-professional Body

GRIB is a national umbrella organisation of rice stakeholders with the goal of working towards a competitive local rice sector for the ultimate benefit of rice producers. The number of members has increased from 11.000 to 57.000.

Although rice is the second most important staple food after maize, only one third of rice consumed is produced locally. In order to compete with imported rice qualities, and enable exports, BUSAC funded GRIB advocacy for the establishment of an international rice standard in Ghana, which was obtained in 2013-14. Since then, BUSAC support was given to training and awareness raising of members. Quality of rice has improved and domestic production increased, although there continues to be a large production deficit.

Source: Evaluation Team interview

4.3 Sustainability

Sustainability is assessed in terms of the extent to which the PSO’s continue to undertake advocacy activities of the same quality and whether other results in terms of public-private dialogue mechanisms are sustained without external support.

In terms of public-private dialogue structure, some of the sector-specific dialogue fora established with support from BUSAC have continued to meet, although physical meetings have been limited by Covid-19. The lack of permanent structures for public-private dialogue has been addressed by the Ministry of Trade and Industry, who is now organising an annual event, The Presidential Business Summit, that engages government and business representatives for a

⁴⁹There is no direct control group or counterfactual considerations and the groups of respondents are mixed in a way, so it is not possible to differentiate the results between the programmes.

discussion of current issues. Recently, MOTI has taken initiative to making this arrangement permanent and expand it with regional business encounters. The establishment of this forum suggests a changed attitude between public and private sector compared to when BUSAC started. While this is important for raising the awareness of private sector issues, the effectiveness is questioned by PSO representatives, and there are no sector-level follow up on these discussions after the annual summit as it is the case in e.g. Kenya.

The interviews with PSOs and other stakeholders in Ghana confirm that the relationship between public authorities and the private sector has indeed evolved during the programme period. These findings should be taken with some caution due to the limited extent of the primary data collection of the Evaluation. They suggest, however, that BUSAC contributed to a positive development. There are indications that the authorities do increasingly consider private sector representatives relevant when preparing new initiatives. The PSOs at national level know what is needed to undertake good advocacy although they generally don't have the funds to undertake research, except for the largest PSOs, such as Ghana National Chamber of Commerce and Industry. However, without an established sector-level public private dialogue (PPD) structure, the room to engage with government is limited.

Based on the expected level of income stated by 690 PSOs under BUSAC II, the 2014 BUSAC Evaluation estimated that 9.9% of these PSOs would have the financial resources to apply and fund the whole advocacy process as exercised under BUSAC. The majority of these PSOs were at national level. The Evaluation estimates that only 5% of the grantees would continue with advocacy at the same standard.

The last phase of BUSAC was influenced by Covid-19 both by delaying finalisation of projects and in the way the project operated. The last two years, more emphasis was put on national advocacy and support to public-private dialogue fora. Furthermore, support was provided to the College for Community and Organization Development, which is a private university, in establishing a post-graduate programme in private sector advocacy based on the methodologies developed by BUSAC.

BUSAC was funded by Danida and USAID until the end of the programme. The Danish development cooperation has been phased out and there was no appetite from USAID to continue alone with a programme that had already been running for many years.

4.4 Explanatory factors

Considering the assumptions in the reconstructed ToC (Annex 4), a number of issues seem to have been at play:

It is estimated that BUSAC-supported advocacy activities contributed to specific changes in approximately 50% of the projects. With approximately 890 advocacy grants allocated, this is still a significant number of effective projects. This was made possible through an efficient fund management focusing on local PSOs and by securing a close follow-up by external monitoring officers working with the PSOs at local level.

Even though the advocacy projects in many cases managed to convince the (in many cases local) authorities to act accordingly (e.g. change regulations or their enforcement or allocate funds for local infrastructure or services), effects on the overall business environment have only been demonstrated in a few cases. There are a number of reasons for this:

- There was no attempt to link BUSAC advocacy themes or priorities to the PSDS and in general little connection between the GoG policy priorities and the BUSAC funding

priorities. The 2014 Evaluation put emphasis on this and recommended further focus on issues of national importance.

- BUSAC's challenge fund approach was based on applications from PSOs and did not include analysis of the policy areas, understanding drivers of change or even the most important constraints in relation to specific business environment areas based on a good Political Economy Analysis (see Chapter 6).
- The PSOs only to a limited extent requested funding for national level issues which made it difficult for BUSAC to fund relevant projects at national level.
- The efforts devoted by BUSAC to addressing national level issues came late in the programme and there may not have been time enough to demonstrate results. National level policies, laws and regulations take a longer time to be developed and are usually influenced not only through one advocacy activity but through various channels over a longer period.
- As suggested in the chapter on Business Environment Reform, from an initial high focus from GoG on private sector development, the interest in reforms waned not long after the change in government in 2008.
- With two thirds of the BUSAC projects granted to PSOs at local level, many of which were farmer groups, the possibilities of making a difference in relation to the overall business environment were more restrained.
- The assumption included in the ToC that GoG authorities have the necessary capacity and funding to implement the agreed changes seems not to hold, especially in relation to reforms that require outreach or capacity building.
- Due to lack of solid impact assessment, it is only possible in very few cases to establish to which extent the policy, law and regulatory changes were implemented and had the desired effects on PSO members.

Sustainability in terms of the PSOs maintaining their capacity to undertake advocacy of the same quality as during BUSAC was jeopardised by the cost of undertaking advocacy research and gathering evidence, which was an important part of the approach. This raises the question of whether the approach was adequate for the PSOs who have relatively modest sources of income.

5 Trade Facilitation

A component on international trade facilitation called “Better Access to Markets” was formulated as Component 4 of BSPS 2003-2010 with a budget of DKK 15 million. The component was to support (1) Ghana’s capacity to take part in international trade negotiations, (2) Ghana’s capacity to implement these trade agreements and (3) capacity to meet international standards in agricultural exports. The Danish support was formulated as a stand-alone project but became fully integrated in Component 1 of the Private Sector Development Strategy. As indicated in Chapter 3, Denmark contributed 28% of the disbursed budget to the common fund of the PSDS. The Danish support was earmarked to the original objectives described in the programme document, both in relation to business environment reform and trade facilitation.

Main findings regarding Danish contribution to Trade facilitation in Ghana:

- The Danish support to trade facilitation in Ghana was relevant and fully aligned to GoG policy priorities and programmes.
- A nationally formulated Trade Sector Support Programme (TSSP) was included in the overall PSDS programme and partly funded over the joint basket funding arrangement.
- The programme funded capacity strengthening of a range of GoG institutions relevant for trade, including Ministry of Trade and Industry and the Ghana Standards Board (later Ghana Standards Authority) including laboratories and training for product quality assessment and certification.
- Ghana Standards Board strengthened its services in relation to product certification during the programme and has continued to advance, although there are still issues to be addressed
- Trade negotiations with EU resulted after a number of years in an agreement whereby Ghana could continue to enjoy free access for almost all products.
- Ghana increased its non-traditional exports but continues to have a trade deficit and the economy remains largely undiversified, with three commodities (gold, cocoa, and in recent times, petroleum) accounting for more than 75% of total exports.
- The linkages between the overall outcomes described above and the programme interventions are not well documented.

5.1 Relevance

Response to specific government and private sector challenges and needs

In 2002, Danida published a Trade and Development Strategy. It recommends three areas of support to the development of the enabling environment in partner countries for trade: Trade negotiations; support for implementation of agreements; and support for elimination of supply side constraints. The support to Ghana was developed with inspiration from this strategy, including a sub-component in relation to each of these three topics.

Ghana’s ambition to become a middle-income country by 2020⁵⁰ involved plans for a structural transformation from relying on the traditional sources of export revenue gold, cocoa beans and timber, providing 70% of export revenue, to the so-called non-traditional exports. The non-traditional exports consist of a wide variety of sectors and loosely defined products, most importantly manufactured and agriculture-based products. This goal was pursued through the National Export Strategy 2013-2017.

⁵⁰ [Ghana Vision 2020: The First Step \(firewash.org\)](http://www.firewash.org/).

Improving Ghana's export potential was directly aligned with the overall objective of promoting non-traditional exports and improving the revenue base and the trade balance with the external markets. About half of Ghana's export went to Europe and a quarter to regional markets. Agriculture-related products were seen as having a great export potential but for example sanitary and phytosanitary regulations and rules of origin affected in particular agricultural and food exports into the European Union.

The overall objective of the component was formulated as "Increased income and employment in Ghana through growth of non-traditional exports", but the focus of the support was only loosely formulated at the time of BSPS approval because it was envisaged that the activities of this programme would be further defined and integrated in Ghana's National Trade Strategy, which was under preparation, and thereby part of a joint programme.

The National Trade Policy was formulated through a process of research, analyses and wide stakeholder consultations, funded by Danida and DFID and launched in February 2005. Support was further provided to formulate a Trade Sector Support Programme, which was approved in August 2005. Shortly after, the GoG Private Sector Development Strategy was finalised, and it was agreed to include the Trade Sector Support Programme (and hence the BSPS Component 4) as a component of the Private Sector Development Strategy (PSDS) and the basket funding arrangement of PSDS. Hence, the PSDS came to include not only aspects related to the business environment but also the broader investment climate such as trade facilitation. With the integration of the Danish support in the Trade Sector Support Programme and the PSDS, Danida showed adherence to aid effectiveness principles and a pragmatic approach. Danida provided its funding to PSDS as earmarked funding and continued its focus on trade as part of the PSDS but to a lesser extent than the work with the judiciary for example. The BSPS completion report did not include specific reporting on trade related aspects. Apart from funding, the Danish involvement to trade facilitation seems to have been limited.

As reflected in the National Trade Policy, many of the obstacles to trade development are not directly trade related. In Ghana, macroeconomic instability, partly fuelled by the government's monetary and budgetary policies, is arguably the fundamental problem hampering competitiveness⁵¹. The Trade Policy reflected these macro-economic aspects but these were not addressed as part of the Trade Sector Support Programme. Equally important for trade are the supply side issues related to production which involve addressing firm-level competitiveness issues. Most of these issues were addressed outside the sector wide programme through a patchwork of donor-funded projects.

5.2 Effectiveness and impact

In this section outputs, outcomes and impact are presented in line with the ToC. For trade facilitation, outputs are much broader and more diverse than for business environment reform. They not only include aspects such as capacity building and regulatory environment, but also trade-related infrastructure and international trade agreements addressing the broader investment climate.

Outputs and intermediary outcomes

As indicated above, specific outputs and outcomes were not developed in the component description but the Trade Sector Support Programme included seven thematic areas and a number of outputs which were to be realised through donor funded projects. Table 5.1 below

⁵¹ [The DAC Guidelines - Strengthening Trade Capacity for Development \(oecd-ilibrary.org\)](https://www.oecd-ilibrary.org/docstore/9789264204214-en).

presents the levels of achievement of outputs and intermediary outcomes of the initial Trade Sector Support Programme. Danida contributed with earmarked funding to the PSDS joint basket funding.

Table 5.1 Realisation of outputs and intermediary outcomes of support to trade facilitation, Ghana 2003-2010

Intervention area	Expected key outputs/intermediary outcomes	Actual outputs/intermediary outcomes
Multilateral Trade	Improved national coordination structures and formulation of trade negotiation strategies in relation to WTO and EPA	Inter-Institutional Committee for multilateral trade functional MOTI staff capacity strengthened Interim EPA signed 2008
Import-export regime	Tariff Advisory Board established System for administering rules of origin Duty drawback scheme VAT exemption procedures	Tariff Advisory Board established 2009
Trade facilitation	Customs clearance improved Port management improved Secure transit trade facilities Establishment of freeport	Freeport feasibility study undertaken
Production capacity	Industrial policy developed, Export trade support services, GIPC investment promotion, SME support, Technical education, Investment finance regulation, Infrastructure support, Technical support to meet non-tariff barriers	Industrial policy approved Ghana Investment Promotion Centre activity support Energy sector infrastructure establishment
Domestic trade and distribution	Strengthen standards institutions Local market infrastructure Domestic enforcement of standards Made in Ghana trademark	Ghana Standards Board (Authority) strengthened Six laboratories fully refurbished Staff and technicians trained
Consumer protection	Consumer protection policy and law	Preparatory work undertaken. To date the Consumer protection Act has not been passed.
Intellectual property rights	Intellectual property rights laws	New copyrights law 2005

Sources: Ghana Trade Policy, PSDS Progress and Completion reports.

The Trade Sector Support Programme included 27 projects within the seven thematic areas of the National Trade Policy. As indicated in Table 5.1 above, it included a wide range of activity areas related to trade, investment promotion, infrastructure, productivity enhancement, consumer

rights, etc. within a total estimated budget of USD 189 million. The lack of prioritisation, combined with the very high budgets, constituted a challenge in taking the work forward⁵².

Ghana and the European Partnership Agreement

Trade agreements with the European Union (EU) have constituted an important activity area during and after the programme. The unilateral EU trade preferences granted only to the ACP countries (known since the mid-1970s as the Lomé preferences) were not in conformity with the rules of the WTO and had to be replaced and because Ghana was not a least-developed country, Ghana was not included in EU's everything-but-arms agreement from 2001. Following almost a decade of negotiations an interim European Partnership Agreement (EPA) was signed in 2008 but it wasn't until 2016, that Ghana ratified the EPA with the EU. Still, this bilateral agreement is only a stepping stone towards an agreement between ECOWAS and the EU, which has been negotiated but not yet ratified by all parties.

The EPA is a trade and development agreement, which secures Ghana's free access to Europe's market for Ghanaian goods, with a view to sustain Ghana's economic growth through trade, investment and employment. It means that all exports from Ghana to the EU have entered the EU market duty-free and quota-free since January 2008. In return Ghana is expected to liberalise 80% of imports from the EU over a period of 15 years, but negotiated that Ghana will liberalise only 78% of its imports from the EU. Products such as agricultural goods, including fruits and vegetables, are mostly excluded for liberalisation in Ghana.

The EPAs were difficult to negotiate and quite controversial in many of the countries, including Ghana, due to the fear of granting free access to EU products. It has been claimed that the EPA was not beneficial for Ghana's manufacturing exports and that it also prevented Ghana from adjusting tariff levels of agricultural products exempted from the agreement. For instance, EU's export of poultry to Ghana increased dramatically with a potential impact for local poultry industry, but Ghana was obligated to maintain the 20% import tariff. However, in the assessment of recent empirical studies, the EPA impact in terms of trade flows and development are overall small, positive or negative, depending on the countries.

The temporary preferential treatment granted to Ghana by Europe is coming to an end. In accordance with the EPA, Ghanaian tariff reductions on imports from EU countries began in July 2021. For some EU-origin goods, tariff elimination was immediate. For other goods, tariffs are phased out according to specific schedules, the longest being tariff elimination by 2029.

*Sources: [EU-Ghana Economic Partnership Agreement \(europa.eu\)](http://europa.eu) and *EU-Africa trade relations and the EPA process: ratification and sustainable development perspectives for Cameroon, Côte d'Ivoire and Ghana*, ECDPM, 2021.*

The funding under the joint PSDS basket to the four institutions involved in the Trade Sector Support Programme (Ministry of Trade and Industry, Ghana Standard's Board, Food and Drugs Board and Ghana Investment Promotion Centre) 2005-2010 constituted 47% (USD 7.6 million). Not all of this funding was used on activities under the Trade Sector Support Programme, because the funding to MOTI also covered other activities, including the overall coordination of PSDS.

Nevertheless, as indicated in the table, progress was made in relation to several of the intervention areas of the TSSP. Progress reporting was generally not quantified, and the reporting does not consistently compare against the initial ambitions⁵³. Denmark funded the

⁵² BSPS Progress Report 2006.

⁵³ Reporting on the trade component was not included in the BSPS end-of-programme completion report.

TSSP through the PSDS basket, but the programme was also to a large extent funded by a number of donors through aid projects outside the common basket. Overall, the performance of the trade-related activities under PSDS and the Trade Sector Support Programme was considered below expectations⁵⁴.

As an example of the progress in relation to international trade negotiations, the Evaluation Team has looked at the European Partnership Agreement (see box). The programme funded education at post graduate level as well as training courses for staff in MOTI, analytical work, participation in international meetings, etc. as an input to the EPA negotiations, but also for other purposes.

Under the TSSP the Ghana Standards Board (later Ghana Standards Authority) was accredited to undertake product and system certification as well as certification of inspectors. Apart from capacity strengthening, this also involved establishment/refurbishment of six laboratories and getting these laboratories certified in order for their results to be trusted at the export markets.

Outcomes and impact

Capacity was increased both in terms of the knowledge and skills of MOTI staff and the services provided by GSA and others in relation to private sector exports but the outcomes to be achieved from the capacity strengthening were not well defined.

On an overall level, Ghana did increase the level of non-traditional exports from USD 549 million in 2003 to USD 893 million in 2007 and USD 1.6 billion in 2010, according to Ghana Export Promotion Authority. The value of non-traditional exports' share of total export reached 29% before increase in the export of oil, gold and cocoa made the share drop to 17% in 2013. The total value of non-traditional exports has continued to increase and is in 2020 at USD 3.3 billion in 2021. Ghana's economy remains largely undiversified, with three commodities (gold, cocoa, and petroleum) accounting for more than 75% of total exports.

Ghana's trade balance continued to be negative until 2020 but the trade deficit in percentage of GDP improved from 25% in 2005 to 16% in 2010⁵⁵.

It is not possible to demonstrate any direct links between these overall trade indicators at impact level and the activities of the Trade Sector Support Programme or the Danish funding.

5.3 Sustainability

The Government of Ghana's focus on trade development as a key to private sector led growth has continued, even though the TSSP was not extended. As an example, the boost to Ghana Investment Promotion Centre (GIPC), which was envisaged during the programme, only materialised later with more institutional focus and the Ghana Investment Promotion Centre Act of 2013 and new management in 2016. The Evaluation Team found virtually no knowledge of achievements in GIPC during the TSSP/PSDS.

The Ghana Standards Authority (GSA) laboratories refurbished under TSSP/PSDS are still fully functional and have been maintained. Based on their revenues from services provided to the private sector, GSA has developed further and established a number of additional laboratories and several of these are accredited in accordance with ISO standards. The GSA establishes national standards for a wide range of products but also provides important services related to exports. Through its inspection division, the GSA provides assurance of safety and quality of

⁵⁴ PSDS Final Progress and Completion Report, 2010.

⁵⁵ [Ghana Trade Balance 1960-2022 | MacroTrends](#).

locally manufactured, imported and exported products, hence the importance of accredited laboratories. Many of the GSA services are fee-based. According to GSA, customers experience delays in service provision in about two-thirds of cases. Several of the private sector representatives also stated that although there had been progress, GSA still had some way to go to provide timely and reliable quality assurance.

Europe is overall becoming a less important trade partner to Ghana, whereas trade with Asia has been increasing. In the medium term, Ghana is looking towards regional trade. In 2019, the African Union selected Ghana to host the secretariat of the African Continental Free Trade Area (AfCFTA), which is intended to accelerate trade within Africa and strengthen the continent's trading position in the global market. Thirty-six (36) countries have since ratified the AfCFTA agreement. The promotion of intra-Africa trade, as envisaged under the African Continental Free Trade Area (AfCFTA) would almost double Ghana's trade with regional partners⁵⁶. The share of African countries in Ghana's exports would increase by 6 percentage points, and the share of African countries in imports by 12 percentage points, compared to a baseline forecast without AfCFTA. It also would encourage greater foreign investment in Ghana, to serve the regional market and an expanded domestic market.

5.4 Explanatory factors

The TSSP was partially implemented. According to MOTI, the delays were nothing more than could be expected for such a vast programme, but the donors did not consider the performance satisfactory and the PSDS final report also suggests that implementation was substantially less than expected. Part of the explanation is the lack of funding compared to the initial TSSP budget, but a number of other factors explain why progress of the TSSP was slower than expected. Being part of the PSDS, the TSSP suffered from some of the same challenges that the Business Environment Reform programme. The TSSP/PSDS ran over a relatively short time span (2003-2010). During that period, changing governments were less willing to advance on the previously announced reform agenda. In addition, the PSDS was far too complex, involving many MDAs making coordination and priority-setting difficult. Support to trade facilitation was suffering from some of the same issues related to the authority of MOTI and coordination between the PSDS programme management and

Furthermore, the following specific factors related to the trade programme can be emphasised:

- The processes related to international trade negotiations are long and progress should be measured over decades, rather than years or over the period of a five-year programme.
- Many factors influence Ghana's engagement in international trade, including factors related to the international economy and trade, domestic macro-economic policies and firm-level constraints. The TSSP addressed general capacity issues and constraints directly related to government institutions which are only part of the constraints.

⁵⁶ World Bank Group, 2022. *Ghana - Trade Competitiveness Diagnostic: Strengthening Ghana's Trade Competitiveness in the Context of AfCFTA*.

6 Findings across Framework Condition Themes

While in the previous chapters, relevance, effectiveness and sustainability were discussed for each of the FC-themes, in this chapter overall findings across the FC-themes are discussed. This includes the assessment of coherence and efficiency. In addition, some underlying assumptions of the ToC related to political economy analysis and cross-cutting issues are discussed, which provide more insight into explanatory factors for the contribution of Danish support to improved framework conditions.

Main findings regarding coherence, efficiency, cross-cutting issues and monitoring:

- Despite opportunities for internal coherence and synergy in the design of BPS (2003-2010), the realisation of this during implementation proved challenging. In Phases 1 and 2, BUSAC primarily aimed for synergy with local agriculture and value chain interventions rather than the overall business environment. There was therefore also limited coordination with the embassy's policy dialogue with government.
- Denmark was an active partner in promoting aid effectiveness in the early part of the evaluation period and made use of the available opportunities for harmonisation with other development partners.
- Organisational challenges in the joint donor-government programme PSDS influenced its efficiency negatively.
- The support to the Commercial Courts constituted a coherent element of the overall judicial reform together with the Danish support under the Good Governance and Human Rights Programme.
- There was good attention to gender issues during BUSAC implementation, while gender issues were almost absent from the PSDS implementation.
- Although only providing modest trade-related outcomes, Danish support under the 2014-2018 partnership policy provided a coherent effort focused around Tema Port, thereby underpinning the private investment in a new container terminal that has substantial impact on the cargo capacity of the port. The PSD support was not significantly directed towards the new agenda on trade and possibilities for synergies may not have been used.
- Monitoring and reporting of the PSDS and of BUSAC were primarily focused on activities and outputs with little assessment of the effects for the overall business environment and the private sector.

6.1 Coherence

Internal coherence, PSD support

The four components of the Business Sector Programme Support (2003-2010) (1) Legal and Judiciary Reform (2) Strengthening the culture for Business (3) Business support instruments (direct support and financial institutions) and (4) Access to markets constituted, on paper, a coherent and substantial programme addressing key constraints of the private sector. Later, a labour market component was included.

The programme components had ample opportunity for coherence and synergy by addressing the same issues through different institutions and by acknowledging that both the Ghanaian authorities and the private sector needed to overcome constraints and, in some cases, work together in doing so.

In practice, the coordination and synergy between components seem to have been limited. Addressing the same overall issues for private sector growth would have to be followed by coordination in relation to the specific issues during implementation. For instance, by supporting specific business advocacy projects in relation to the reform issues addressed in the PSDS or in relation to trade. Due to the demand-driven nature of BUSAC in the first phase this would have been difficult in practice. As indicated above, the advocacy projects were to a large extent determined by the demand from PSOs and the overall priority of the agriculture sector was based on Danish policy priorities and also on USAID's priorities in agriculture in Northern Ghana.

From the second phase of the Danish PSD programme (called Support to Private Sector Development (SPSD Phase II), BUSAC continued as the only component addressing business environment issues. Besides the attempts to establish a second phase of the PSDS, there was no Danish support to public institutions within the business and trade sectors. The prolonged preparation for PSDS II prevented to some extent decisions on other channels of support to be taken, e.g. through direct funding of single public institutions. The new component on skills development was a relevant addition to the programme but provided few opportunities for synergies with BUSAC. There was therefore little opportunity for synergy between BUSAC and other components of the SPSD II in relation to addressing the overall business environment, but there was some scope for synergy at the local level by linking to agricultural value chains for instance with the component Agricultural Value Chain Facility under SPSD II. Under SPSD III there was only a component on skills development, besides BUSAC, with limited opportunities for synergy.

From Aid to Trade

During the first part of the evaluation period, the BSPS (2003-2010) addressed private sector constraints at the meso-level and at the micro-level, leaving macro-level issues to be addressed in the Budget Support dialogue where private sector growth was high on the agenda. A constant issue in the budget support dialogue was the fiscal deficit and the increasing public debt, but when the GoG-donor dialogue disintegrated, there was limited continued dialogue with the government on broader reform issues.

An area of strong coherence within the country programme was in relation to Danish support to the modernisation of the justice system in Ghana under the Good Governance and Human Rights Programme. The establishment of the Commercial Courts was an important element in the overall reform, which included a specialisation and digitisation of the courts.

The last programme phase, Support to Private Sector Development, Phase III (SPSD III, 2016-2021) was conceived under the Denmark-Ghana Partnership Policy 2014-2018, which focused on the transition in the partnership when bilateral assistance was being phased out and political cooperation and commercial relations were increasing as Ghana continued to grow its economy. Under the headline "From Aid to Trade" Danida aimed to increase synergies between the development programme and the commercial work at the embassy while responding to GoG's clear policy of "Ghana beyond Aid", emphasising trade opportunities and investments. The headline "From Aid to Trade" has connotations of the slogan "Trade, not aid", which is the idea that developing countries should gain fair market access rather than receive development assistance, and the "Aid for Trade", which is a category of development assistance building trade capacity and infrastructure they need to benefit from trade openings. Based on the text in the

2014 Country Strategy and the separate brochure prepared by the embassy on the topic⁵⁷, the focus seems to have been on ensuring linkages to Danish commercial partners, rather than trade facilitation. There was some limited focus on trade facilitation under the Danish Tax and Development programme the majority of which focused on strengthened the capacity of the Customs division to facilitate trade.

BUSAC as a component of SPSD III could contribute to this agenda by addressing specific issues related to trade or by improving the overall business environment, also for foreign companies, as suggested by the impact study of SPSD III⁵⁸. Among the 44 projects highlighted for their good performance in BUSAC III reporting (see Annex 5), approximately seven projects aimed to improve conditions in relation to an export crop or address issues related to trade. As described in Chapter 4 above, the available impact cases include few examples of BUSAC advocacy projects addressing the overall business environment. One project should be mentioned: The support to Ghana National Chamber of Commerce and Industry's advocacy in relation to reducing the cost of doing business in Tema Port.

The rationale for cultivating these synergies between aid and trade may be less obvious when it comes to business advocacy, because most issues are driven by a national agenda, and it would have required a more heavy-handed steering and quite narrow selection of advocacy projects relevant for this agenda. According to the 2018 country evaluation, there was little collaboration between BUSAC and the embassy in relation to engaging the embassy in a dialogue with government on business environment issues identified under BUSAC.

In 2018, the country evaluation⁵⁹ furthermore concluded that “*the current development programme interventions are not sufficiently aligned and contributing to achievement of the objectives of the Denmark-Ghana Partnership Policy 2014-2018*”. The Evaluation Team concurs with this assessment based on the choice of interventions under SPSD III, which were not particularly related to trade facilitation or the sectors in focus for Danish businesses. However, there have been some developments since the country evaluation which indicate a small, but coherent Danish support related to trade focused on Tema Port. This support was provided through various channels, but not through the PSD programme.

Denmark pursued, outside the SPSD III, a focus on several trade-related aspects under the 2014 partnership policy revolving around Tema Port. The Port was central in the Danish support to Ghana Revenue Authority under the Tax and Development Programme (2015-2020). The programme aimed at both increased tax revenue from more effective and transparent customs and reduced transaction costs for the private sector in relation to import and exports, most notably on Tema Port. During this period there was a significant increase in revenues collected by customs and there were also important improvements in the port with the introduction of a “single window”, which allows exporters and importers to submit documents through a uniform, electronic interface. The Tax and Development Programme encountered several implementation

Danish investment in Tema Port

In 2016, APM Terminals and its partners invested USD 1.5 billion for a new multi-purpose port and container terminal in Tema, thereby tripling the cargo handling capacity of the port. This facility and other initiatives have considerably reduced the handling times for cargo. In 2019, the Port handled 84% of imported goods into Ghana and 24% of its exports.

⁵⁷ From Aid to Trade, Ministry of Foreign Affairs, September 2017.

⁵⁸ Consultancy for an Impact Study for the Support to the Private Sector Development Programme Phase III (SPSD III).

⁵⁹ DMFA, 2018. *Evaluation of the Ghana-Denmark partnership 2007-2017*.

problems. Capacity of staff of Customs was built in the areas of World Customs Organisation (WCO) rules and regulations but the extended sensitisation of all stakeholders in this area was limited. Apart from general capacity strengthening of staff in Ghana Revenue Authority, and the establishment of a canine unit for detecting illegal substances, which is still operational,⁶⁰ the programme's direct contribution to international trade was limited. In practice, this reduced the possibilities for synergy.

The Danish support to Tema Port has continued under the Strategic Sector Cooperation with a collaboration between the Danish and Ghanaian maritime authorities. As part of this programme, Denmark supports Ghana Maritime Authority (GMA) compliance with port state obligations, which is a necessary precondition for maritime trade and contributes, in the longer term, to lower shipping prices for goods to and from Ghana. Although the cooperation programme is small in volume, GMA considers it an important contribution, and the Danish partner played an important role in preparing for international maritime audit in 2017.⁶¹ In parallel with the Strategic Sector Cooperation, a Danida research project (Port efficiency and public private capacity) has provided points of entry and relations to other Ghanaian partners. The SSC does not have a narrow linkage to Danish commercial interests but aims to contribute to safer and more efficient port operations, which is linked to Danish investments in Tema Port, Denmark's general interest in maritime trade and thereby the interest of ensuring Tema Port's position as the preferred port in West Africa.

Despite these achievements through assistance from Denmark and several other development partners, a recent study applying a political economy analysis to Tema Port concludes that state-embedded actors and criminal networks, protected by quasi-political interests, coordinate bribery, corruption and trafficking. Combined with the technological and institutional challenges at the Tema Port, it continues to create opportunities for criminal networks. These contribute to worsening the trade facilitation and revenue generation capacity of the Tema Port and jeopardises infrastructural improvements⁶².

The different channels of support to trade focused on Tema Port has in combination with Danish investments, provided good opportunities for coherence and synergy within the Danish country programme under the 2014 Partnership Policy. However, by that time, the Danish support to international trade facilitation under BSPS up to 2010 was terminated and there was therefore no direct coherence or synergy with the PSD support.

External coherence

During the first part of the evaluation period, the dialogue structure and the sector working groups around the multi-donor budget support not only provided important contributions to the overall development effort steered by GoG but also ensured a high level of coordination between the development partners. There was a very active private sector coordination group among development partners and Denmark was chairing the group 2011-2012. The joint policy dialogue started deteriorating from around 2013 and after the collapse of the budget support dialogue framework in 2014, the same level of coordination has not been re-established.

Denmark was one of three development partners that co-funded the preparation of the PSDS and was the second largest funder to the PSDS basket fund. Furthermore, Denmark took on a role coordinating the private sector working group. In this way, Denmark played an important

⁶⁰ Interview with Ghana Revenue Authority, Customs Commissioner.

⁶¹ Interview with Ghana Maritime Authority.

⁶² Acheampong, T. et al, 2022. *Applied Political Economy Analysis of the Tema Port*. IMANI Center for Policy and Education.

role in promoting the aid effectiveness agenda in relation to PSD in Ghana. However, when the PSDS was not continued with a second phase, Denmark withdrew from supporting the public sector in relation and PSD funding was allocated to projects from SPSD II in 2010 and onwards. Some of these were co-funded with other development partners and represented opportunities for coordinating with other donors, but the general donor coordination and harmonisation mechanisms gradually lost their importance in the absence of a sector wide programme.

As indicated above, BUSAC continued to be co-funded by USAID and the European Commission, (although the EU funding to BUSAC III ceased⁶³) and other PSD programmes were also co-funded. Overall, the Danish programming seems to have explored the opportunities for collaboration with other development partners. In relation to BUSAC, the remaining delegating partner (USAID) considered that the embassy and the fund manager did a good job in relation to management and coordination.

6.2 Efficiency

Efficiency challenges

By providing most of the funding to public institutions through the PSDS joint funding arrangement up to 2010, Danida adhered to the aid effectiveness agenda and contributed to reduced transaction costs of GoG and development partners. However, in the coordination and implementation of the PSDS, there were efficiency challenges, which in some cases caused delays in implementation. The Ministry initially responsible for the management of the PSDS, Ministry of Private Sector Development (MPSD) was closed in 2007 (later re-established) and responsibility for management and coordination of the PSDS was transferred to Ministry of Trade and Industry. The operational challenges included preparation of annual aggregate workplans and reporting across implementing units. There were also issues related to procurement, both in relation to preparing an overall procurement plan, obtain development partners' no-objection and in the procurement process itself that regularly saw delays. MOTI also identified challenges in relation to changes in leadership and in some cases lack of ownership in the implementing ministries, departments and agencies. What also played in was the factor that MOTI, as responsible for programme management, did not have authority to supervise other ministries and they were therefore not directly accountable to MOTI.

Financial management issues have been present throughout the programme. PSDS ran into several incidents and BUSAC also encountered a number of situations where the audits pointed out missing or incorrect documentation of expenses and suspicion of fraud. The high number of project disbursements in many cases to associations with modest accounting capacities are bound to have represented a number of challenges. The delegated funding arrangement between the Danish embassy and the EC Delegation came to a halt in the beginning of BUSAC III because the Danish embassy found the EU requirements excessive.

According to a survey undertaken for the impact study of SPSD III⁶⁴, about 93% of BUSAC III grantees were either very satisfied or satisfied with the services of the fund management office. In addition to the staff in office in Ghana and later Tamale, BUSAC recruited a number of local

⁶³ The break was primarily caused by disagreements between the EC-delegation to the Danish embassy over the administrative requirements for a delegated partnership.

⁶⁴ Final Impact Study Report, EY, February 2021.

consultants that should assist in project monitoring, which seems to be an efficient way of organising the follow-up locally.

In an assessment of cost effectiveness, the 2014 BUSAC evaluation calculated the non-grant expenses in BUSAC in relation to the grant expenses. Non-grant expenses constituted approximately 35% of total cost, which compared favourably with other challenge funds providing a large number of small grants. The 2014 evaluation also found that BUSAC fund management applied good practice in ensuring value for money, including 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.

BUSAC was the only one of the of the four Business Advocacy Funds included in this Evaluation that maintained the challenge fund modality with regular rounds of applications. This may have worked better for BUSAC because the projects were smaller and more straightforward than for the other funds.

Attracting other donor funds to BUSAC was a major factor influencing the efficiency of the programme. The fund management costs were relatively fixed, which meant that more funding could mostly be allocated directly to grants, which would reduce overhead costs. There was uncertainty about USAID's engagement in the third phase of the fund when the fund management was publicly tendered, which made it challenging to determine its size. It was therefore very important for overall efficiency that USAID joined.

Organisational efficiency

The Danish embassy in Accra was relatively early, organised in a way that considered the possibilities for coherence and synergy with the commercial agenda and organised internal, so-called "Wall Street" meetings for discussion of cross-cutting thematic issues related to the business environment and Danish business interests. When the decision to transition the partnership from development cooperation to trade and political cooperation was taken and the last country strategy was published in 2014, there was still time to prepare for the exit of the programme. It did mean, though, that staff resources for development cooperation were reduced gradually and capacity issues appeared in the last years of the development programme, which also made it more difficult to consider synergies.

Whereas the efforts to ensure coherence between the bilateral cooperation, Danida business instruments and the commercial agenda received much attention, the individual components of the PSD programme were generally considered separately.

Quality of M&E

Monitoring data were in general insufficient. Part of the reason should be found in the difficulties of establishing robust output and outcome indicators and targets which remain relevant throughout the programme period. If changed during the implementation, this information would rarely be available for an ex-ante assessment and programme completion reports are of varying quality.

A framework for a planning, monitoring and reporting system was developed at the beginning of the BSPS programme comprising monitoring matrix and log frame. However, in connection with the formulation of the TSSP and the PSD Strategy and the subsequent merging of several of BSPS components and sub-components with the PSD Strategy the original set of indicators were changed during the course of BSPS programme implementation. BSPS then followed the overall monitoring system under the PSDS framework. As it was envisaged that the Government

would be responsible for the overall monitoring system for the PSD Strategy, the Danish embassy did not develop a full-fledged M&E system but rather a leaner indicator system in which fewer, BSPS-relevant indicators were measured. Monitoring and reporting of the PSDS was primarily focused on activities and expenditures with little assessment of the effects for the overall business environment and the private sector.

BUSAC struggled with providing sufficient evidence for outcomes and impact in all three phases, although monitoring improved from BUSAC I to BUSAC II. In BUSAC I, the reporting from decentralised monitoring officers was frequently insufficient and simple progress monitoring was suffering as a consequence. Furthermore, there were no clear targets and indicators defined until very late in the first phase⁶⁵. A proper M&E framework was established in BUSAC II where also surveys of PSO capacity were introduced.

An impact study in 2014 commissioned by BUSAC and an impact assessment in 2021 for SPSD III commissioned by the embassy did not provide sufficiently robust evidence, as described above. Assessing the contribution of advocacy to policy changes and their further effects on the private sector and economic development is extremely challenging. What could have been done was to develop further the case studies and explore to which extent policy changes were implemented. Surveys among PSO members would have provided some level indications of this but it would still in most be difficult to attribute changes in business turnover or profits to the policy changes of the business environment. There are many factors at play.

6.3 Underlying assumptions

Political economy analysis

It is generally recognised, also in Danida, that a political economy analysis, including the assessment of drivers of change, constitutes an important foundation when preparing new programmes and initiatives. If such analysis was undertaken or discussed in connection with the PSD programme in Ghana, it has not been described in the programme documents, review aide memoires or appraisal reports. The template and the shared nature of these documents may not allow the inclusion of critical analysis, but it would be expected that a political economy analysis is reflected in the assumptions or risks described of the programme, which is not the case.

Frequent reference is made to GoG's willingness to undertake reforms and whether the political slogans of enabling the private sector to be an engine of growth were followed by specific actions, especially under the PSDS is unclear. Actually, the lack of GoG commitment to reforms has been cited, both in documents and in interviews, as the main cause of reduced Danida interest in continuing cooperation with central level institutions. But the reasons behind this and the drivers and different interests within Ghana for example in relation to business registration or to commercial arbitration do not seem to have been analysed in the process. As indicated above, the changes of a more technical nature seem to have seen more progress than complex reforms involving many stakeholders. This suggests that political economy factors may have been a constraint for other more controversial areas of reform.

BUSAC's challenge fund modality was based on applications from PSOs and did not include analysis of the policy areas, understanding drivers of change or even the most important constraints in relation to specific business environment areas. Even though BUSAC mostly operated at local level and the issues often were quite simple, there could still be the need for analysis. Especially in relation to the invitational grants it would have been relevant to have

⁶⁵ DMFA, 2014. *Evaluation of the Business Sector Advocacy Challenge Fund, Ghana.*

undertaken some prior analysis of the bottlenecks to reform and the interests at stake. However, if this had been done, the fund manager and the Board would also have taken a risk of not being impartial, which could be problematic.

The 2018 Danida country evaluation suggests that pro-state policies rather than reforms promoting private-sector led growth were dominant in Ghana and refers to the lack of industrial policy in Ghana, which could have addressed constraints for specific, prioritised sectors. Danida funded research has documented this aspect already in 2011, which would have been a good basis for further analysis.

Cross-cutting issues including green growth, gender and youth

Compared to many other African countries, women play a strong role in Ghanaian business and the private sector. According to the Global Entrepreneurship Monitor in 2010, the rate of women engaged in early entrepreneurship activity in Ghana was 60%, compared to 42% for men⁶⁶. Ghana was the only country with female entrepreneurship more dominant than male entrepreneurship.

Cross-cutting issues were, however, not very prominent in the BSPS programme documents. Cross-cutting issues are completely absent from the overall BSPS Programme Document, and in component descriptions for Component 3 and 5, and are scarcely mentioned in Component 2 Description (BUSAC).

In relation to BUSAC, gender aspects were included by considering a strategy towards female-headed businesses and capacity building strengthening women entrepreneurs. An early review of BSPS (2007) found that gender awareness and gender-sensitive analysis of business environment concerns could be better mainstreamed into the work of BUSAC. This was to include the formulation and delivery of training material on gender analysis for business service providers and PSOs. BUSAC II and II included gender-disaggregated targets and results reporting.

Although gender dimensions were expected to be mainstreamed into PSD strategy implementation, some of the implementing MDAs were not able during implementation to use disaggregate gender data. However, it was reported that the number of business registrations that are female headed remained roughly constant at 20% over the PSD strategy period. Considering that most new businesses are started by women (see above), this suggests that women businesses are more prone to remain informal than male headed businesses.

⁶⁶ [Are Ghana's Women More Entrepreneurial Than its Men? \(brookings.edu\)](https://www.brookings.edu/research/are-ghana-women-more-entrepreneurial-than-men/).

7 Conclusions and Lessons

In this chapter, based on the findings presented in the previous chapters, overarching conclusions are formulated that have been the basis for the formulation of lessons learned. The preliminary findings, conclusions have been discussed in a debriefing meeting with the embassy.

7.1 Conclusions

- 1. Danida's support to Business Environment Reform 2003-2010 was relevant and included a timely emphasis on harmonisation and alignment. In subsequent phases relevance in relation to the overall business environment decreased as the support was only provided through BUSAC.**

In the context of strong national policy goals of improving private sector conditions in the early part of the evaluation period, Danida provided relevant support to the improvement of framework conditions and the institutional framework for trade facilitation in Ghana 2003-2010. Danida was a leading partner in driving PSD cooperation in the spirit of the aid effectiveness agenda. From 2010, Danida continued its PSD support with an emphasis on business advocacy and direct support at enterprise level, skills development and through financial institutions. The close cooperation with GoG within the programme was not continued, which most likely had negative consequences for the consolidation of support to public institutions that were central to the reform. Especially in relation to business registration, much more could have been done at the time.

- 2. The commercial court system developed considerably with Danish support. Also, business registration saw some progress under the joint donor-government Private Sector Development Strategy (PSDS) 2005-2010. The overall results of the PSDS and its effect on the broader business environment were considered less satisfactory.**

Denmark was a leading partner and funder of the establishment and further capacity strengthening of the Commercial Court that took place prior to and during the PSDS. The commercial court system has since been extended and it has had significant effects on the possibilities for settling commercial disputes and therefore likely also for access to credit and foreign direct investments. There was also some progress in relation to business registration and some improvements in the time to undertake business registration, but the Danish role was less pronounced. This is likely to have contributed to the improvement in Ghana's ranking in the World Bank Doing Business indicators up until 2010.

Despite good progress within these selected areas, PSDS achievements in the period were considered less satisfactory. The implementation of the sector-wide programme was hampered by a too broad reform agenda involving many government entities, unclear authority of the programme management and little incentives for some implementing units. The components of the joint PSDS were implemented by different ministries, departments and agencies and the reform agenda was vast and complex. There were problems in general in the coordination between MOTI and the implementing units, and a general perception among the development partners that implementation was delayed, also in view of the constant under-expenditure compared to budget. Together with development partners' waning support to the aid effectiveness agenda, this resulted in a lack of confidence in GoG's reform intentions and

despite attempts to prepare a second phase, the reform programme was not continued after five years.

The differences in performance between government implementing institutions under PSDS are explained by differences in institutional culture and ownership of the reform strategy, the capacity of the management team in the units and the ambition to make a difference.

3. BUSAC was an efficient grant making facility and overall, advocacy projects most likely had an effect on private sector growth at local level but little effect for the business environment at national level.

In relation to the business environment, Danida only continued the business advocacy support through BUSAC. With an estimated 50% of projects achieving their stated targets, the advocacy model demonstrated its worth in terms of influencing the relevant authorities. It was considered important that BUSAC covered the whole country and, as a result, approximately two thirds of the advocacy projects were at local level (districts and regions) and many were addressing local constraints in relation to primary production. Although the documentation is weak, there is likely to have been local effects of the projects but due to the demand-driven nature of the fund, BUSAC did not analyse ex-ante whether these investments were the most relevant for addressing important constraints and obtaining the best impact. Furthermore, the distributional consequences between members of the PSO grantees seem unaddressed by BUSAC.

Despite changing strategy from 2014/2015 on-wards and directing more support to national level projects, BUSAC demonstrated only a few examples of effects on specific aspects of the national business environment. National reform processes (both legislative and institutional) were in many cases long and not necessarily realised within the lifetime of the project. In the cases where BUSAC contributed, it is likely that many other factors than BUSAC supported business advocacy have played a role.

4. The diversity and complexity of the factors constraining Ghanaian trade (exports) hampered the effectiveness of an over-ambitious and unfocused national Trade Sector Support Programme, but some progress was made in relation to specific areas.

Among the most concrete results were the refurbished Ghana Standards Authority laboratories, which continue to provide valuable services of quality control to importers and exporters, although not yet to the complete satisfaction of the private sector. Ghana improved trade-related business environment indicators and increased its non-traditional exports. The economy remains largely undiversified, with three commodities (gold, cocoa, and petroleum) accounting for more than 75% of total exports.

5. Outside the PSD support, Danish support to trade facilitation with a specific focus on Tema Port under the 2014 country strategy has demonstrated examples of good coherence between different channels of support and the private sector.

Danish support to trade facilitation within the PSD programme was not continued beyond 2010 but came into focus again with the 2014 country strategy. Denmark pursued the objective of combatting corruption, logistical shortcomings and red tape in relation to import and export, most notably focused on Tema Port through the Tax and Development programme with a focus on customs and the Strategic Sector Cooperation with Ghana Maritime Authority. The programmes have made smaller, but in some cases important, contributions to improving conditions for trade and both programmes are appreciated by Ghanaian partner institutions. A

Danish investment in a new container terminal and port facilities has made a significant improvement in the capacity to handle containers in Tema Port. That the Danish PSD support only to a limited extent aimed to contribute to the transition of Danish aid to trade agenda seems to be a missed opportunity.

7.2 Lessons

- 1. Although the harmonisation and alignment to a joint donor-government programme on Business Environment Reform contributed positively to the effectiveness of the support, the wide scope of the programme and the complexity in terms of number of partners represented challenges.**

Although implementation overall was considered unsatisfactory, some units performed relatively well, and the circumstances under which the sector-wide approach provided good results seem to have been influenced by the existence of so-called ‘pockets of administrative efficiency’. Furthermore, the complexity of the issues may also have played a role where issues of a technical nature, such as business registration, saw better progress than more complicated reforms for instance in relation to trade. This strengthens the argument for working with few, but capable entities, rather than a broad programme addressing an array of institutions.

- 2. Changing overall business environment reforms requires a timeframe longer than five years and reforms may not by themselves be sufficient to stimulate economic growth, exports and livelihoods.**

As concluded by MOTI in the PSDS final progress and completion report, the type of business environment reforms undertaken under the PSDS takes time to translate into impact, such as more and better paid jobs or better incomes for farmers and self-employed. The reform period under PSDS was not long enough to ensure sustained results and there were no direct linkages to firm-level support.

- 3. Business environment reforms may only contribute to economic growth in conjunction with other measures.**

Business environment reforms may be necessary, but not sufficient for increased growth. In the case of Ghana, macro-economic factors and fiscal policies as well as international economic trends and commodity prices have played a big role. In relation to international trade, even if the trade regime is favourable, firm-level constraints, as well as infrastructure constraints, need to be addressed before the full potential can be unleashed. The new container terminal in Tema Port is an example of a private infrastructure investment that provided significant trade related and economic benefits and is likely to have been more significant than the trade facilitation support.

- 4. A sustainable increase in PSO capacity is only possible under some circumstances and requires analysis of the prospect for financial sustainability in order to provide an adequate level of support. It should not be a general programme objective.**

Although advocacy skills and capacity were enhanced in many PSOs supported by BUSAC, the financial constraints will in general not allow funding of the research and documentation of evidence supporting their cause. Establishing dialogue mechanisms with the private sector is ultimately the responsibility of government that should develop procedures and structures for this to take place. This seems to be a precondition for engaging the private sector in a permanent dialogue. It seems most efficient that capacity support to PSOs should be based on a thorough analysis of these preconditions.

5. Monitoring and assessing outcomes of advocacy projects require a different approach than standard programme monitoring.

The documentation of results at outcome level constitutes a major challenge for Danida not only when assessing results ex-post but also for learning and course-correction during implementation. Despite efforts to undertake impact assessment, the documentation of BUSAC results at outcome level remain limited, especially when it comes to overall reforms of the business environment. The processes towards reforms are often not straightforward and decisions and their implementation are influenced by many different factors making attribution almost impossible. More could have been done by BUSAC to assess and document the post-advocacy situation on a case-by-case basis, including how reforms were implemented and how benefits (if any) were felt among grantee members. It seems important to recognise that the attribution issue cannot be overcome before designing impact studies that use resources to attempt that.

Annex 1 Bibliography

In addition to country strategy and programme documents for the core and broad sample the following documents have been consulted:

- Acheampong, T. et al, 2022. *Applied Political Economy Analysis of the Tema Port*. IMANI Center for Policy and Education
- Aryeetey, E. & Owoo, N.S, 2017. *Ghana's Experiments with Business–Government Coordination*. Oxford University Press
- Bilal, San, 2021. *EU-Africa trade relations and the EPA process: ratification and sustainable development perspectives for Cameroon, Côte d'Ivoire and Ghana*. ECDPM.
- Cofie, S, 2007. *Ghana – Establishment of the Commercial Court*. IFC Smart Lessons.
- DMFA, 2014. *Evaluation of the Business Sector Advocacy Challenge Fund, Ghana*
- DMFA, 2018. *Evaluation of the Ghana-Denmark partnership 2007-2017*
- DMFA, 2017. *From Aid to Trade*
- DMFA, 2008. *Joint Evaluation of the Ghana-Denmark Development Cooperation 1990-2006*.
- EU Development Cooperation, 2017. *Joint Evaluation of Budget Support to Ghana (2005-2015)*
- Frimpong, Augustine et al, 2018. *An Examination of Commercial International Dispute Resolution Framework in Ghana and the United Kingdom*. Research Gate.
- IMF, 2021. *Ghana. Staff Report for the 2021 Article iv Consultation*
- McDonnell, Erin Metz 2017. Patchwork Leviathan: How Pockets of Bureaucratic Governance Flourish within Institutionally Diverse Developing States. SAGFE.
- Odoi, Reginald Nii, 2022. *An Introduction to the Commercial Law of Ghana*
- UNDP, 2021. *Governance and Politics in Ghana Policy Brief*.
- The World Bank. *National Account Data*. – website accessed on 22/11/2021.
- The World Bank. *Ease of Doing business ranking 2006-2019*
- Whitfield, Lindsay, 2011. *Political Challenges to Developing Non-Traditional Exports in Ghana: The Case of Horticulture Exports*. DIIS
- World Bank Group, 2022. *Ghana - Trade Competitiveness Diagnostic: Strengthening Ghana's Trade Competitiveness in the Context of AfCFTA*.

Annex 2 Evaluation Matrix

No	Evaluation questions	Indicators	Methods	Sources
1	Relevance: To what extent has Danish support to framework conditions for PSD responded to the evolving needs and challenges private sector is facing in partner countries?			
1.1	Has the support been focused on specific challenges and needs of governments and private sector in partner countries regarding framework conditions?	<ul style="list-style-type: none"> • Main BER challenges private sector has been facing in the four countries during the period 2008-2021 • Main IC challenges private sector has been facing in the four countries, 2008-2021 • Main BER and IC priorities defined by governments in four partner countries, 2008-2021 • Contextual factors affecting priority-setting regarding BER and IC in four partner countries 	<p>Document review at all three levels of analysis:</p> <ul style="list-style-type: none"> • Overall strategic level • Country level • Thematic level <p>Interviews at three levels</p> <p>Workshops country level</p>	<p>Strategic docs Programme docs International literature</p> <p>MFA staff HQ and embassies Staff global programmes Implementors programmes Govt partner countries BMOs Experts</p> <p>BMOs</p>
1.2	Have clear objectives been defined (making use of logframes or ToCs) for the Danish support to framework conditions for PSD in line with Danish strategic priorities and has the design been adequate?	<ul style="list-style-type: none"> • Clarity of objectives at different levels • Alignment of objectives with Danish strategic priorities • Use of logframes or ToCs • Quality of logframes/ToCs/design 	Document review	Strategic and programme docs
1.3	How have specific challenges in the area of green growth been addressed?	<ul style="list-style-type: none"> • Extent to which specific framework conditions for green growth have been defined 	Document review at all three levels of analysis:	Strategic docs Programme docs International literature

		<ul style="list-style-type: none"> • Alignment of support to green growth with global climate change priorities • Innovative adjustment of definitions on framework conditions to green growth requirements 	<ul style="list-style-type: none"> • Overall strategic level • Country level • Thematic level 	MFA staff HQ and embassies Staff global programmes Implementors programmes
1.4	To what extent has political economy analysis contributed to the design and implementation of the support to framework conditions for PSD?	<ul style="list-style-type: none"> • References made to political economy analysis in overall (country and global programme) planning documents • References made to political economy analysis in specific project documents • Depth of PE analysis in terms of analysis of structure, institutions and actors • Evidence of actual use of political economy analysis to adapt programming 	Interviews at three levels Workshops country level	Implementors programmes Govt partner countries BMOs Experts BMOs
1.5	How well has the Danish support integrated inclusiveness and attention to cross-cutting issues, specifically human rights, gender equality and youth?	Extent to which attention is paid in programming and implementation to: <ul style="list-style-type: none"> • Inclusive business • Gender equality • Youth • Human Rights based approaches 		
2	Coherence: To what extent have there been complementarities and synergies between the various types of Danish support to framework conditions for PSD on the one hand and PSD support by other actors on the other?			
2.1	Internal coherence: To what extent have there been complementarities and synergies within the bilateral country programmes and between the bilateral programmes and other channels of Danish support to framework conditions for PSD?	Complementarities and synergies between: <ul style="list-style-type: none"> • Bilateral core support focused on FCs for PSD and other bilateral PSD support • Bilateral core support focused on FCs for PSD and other bilateral support (GBS, governance, sector support) • Bilateral core support focused on FCs for PSD and policy dialogue • Bilateral core support focused on FCs for PSD and global or regional PSD programme support 	Document review Interviews Workshops country level	Strategic docs Programme docs International literature MFA staff HQ and embassies Staff global programmes Implementors programmes

		<ul style="list-style-type: none"> • Bilateral core support focused on FCs for PSD and multilateral support (core, soft-earmarked) focused on FCs for PSD • Bilateral core support focused on FCs for PSD and NGO, or research focused on FCs for PSD and bilateral PSD support • Mechanisms for improving internal coherence 		
2.2	External coherence: To what extent is the Danish support to framework conditions for PSD in line with the global evolving norms and standards and is it well-coordinated and complementary to support of other development actors in this area?	<ul style="list-style-type: none"> • Extent to which the Danish support to FCs for PSD has been adjusted in line with international norms and standards • Evidence of lessons learned from international experience with PSD FC support • Extent to which at global, regional and country level comparative advantages of different actors are taken into account for the Danish support and duplication is avoided • Coordination mechanisms at country level for the support to FCs for PSD with specific attention for the role of Denmark and the partner country government <ul style="list-style-type: none"> ◦ Perceptions of the role of Denmark in the support to FCs for PSD at regional and national level 	Document review Interviews Workshops country level	DCED guidelines International literature Docs from other donors Docs regarding PSD coordination in partner countries MFA staff HQ and embassies Other donors Partner country representatives
3	Effectiveness: What are the results of the Danish support to framework conditions for PSD and what are the main factors affecting the results?			
3.1	What have been the outputs and (intermediary) outcomes of Danish support to framework conditions for PSD?	Improvements in BER frameworks (and the way these frameworks address issues of inclusiveness, gender equality, human rights and climate change): <ul style="list-style-type: none"> • Business administration and licensing procedures • Tax policies and administration • Labour laws and administration • Land titles, land registry and land market administration • Commercial justice/courts and dispute resolution 	Document review at all three levels of analysis: <ul style="list-style-type: none"> • Overall strategic level • Country level • Thematic level Interviews at three levels Workshops country level	Strategic docs Programme docs International literature MFA staff HQ and embassies Staff global programmes Implementors programmes Govt partner countries

		<ul style="list-style-type: none"> • Public-private dialogue (incl. informal operators and women) and business advocacy incl. capacity building and effective lobbying • Access to market information • Access to finance- BER focus • Quality of regulatory governance and compliance enforcement • Competition policy, accounting, auditing and business transparency (incl. integrity/ anti-corruption) • Norms and standards (technical, social/labour, environmental) • Trade policies, laws, regulations (<i>trade regimes</i>) <p>Improvements in investment climate (incl how issues of inclusiveness, gender equality, human rights and climate change have been taken into account):</p> <ul style="list-style-type: none"> • Infrastructure development • Value chain and market systems development • Technological development, R&D, innovation • Skills development • Labour market development • Financial market reform • Trade facilitation <p>Evidence that private sector has benefitted from BER and IC improvements:</p> <ul style="list-style-type: none"> • Reduced costs • Reduced business risks • Improved market access • Evidence that private sector is adhering to new targets, norms and standards regarding climate change (no-deforestation, reduced CO2 emissions, etc. 		<p>BMOs Experts</p> <p>BMOs</p>
--	--	---	--	-------------------------------------

3.2	What have been the main external and internal factors contributing to effectiveness? What are specific explanatory factors in fragile and other country contexts?	<p>External factors:</p> <ul style="list-style-type: none"> • Income status • Governance situation • Fragility <p>Internal factors:</p> <ul style="list-style-type: none"> • Role of embassies (see EQ 4.2) • Targeting of PC PSD support • Internal and external coherence of Danish support (see EQ 2) • Quality of programme design 	<p>Document review at all three levels of analysis:</p> <ul style="list-style-type: none"> • Overall strategic level • Country level • Thematic level <p>Interviews at three levels</p> <p>Workshops country level</p>	See above
4 Efficiency: What have been main efficiency challenges of the Danish support to framework conditions for PSD and how have these challenges been addressed?				
4.1	What have been main efficiency challenges (including value for money)?	<ul style="list-style-type: none"> • Timeliness of planning and delivery of support • Evidence of support provided in economic way (minimizing costs) • Evidence of support provided in an efficient way (good outputs against reasonable cost) 	<p>Document review at all three levels of analysis:</p> <ul style="list-style-type: none"> • Overall strategic level • Country level • Thematic level 	See above: focus on Danish docs and interviewees
4.2	What are the main factors affecting organizational efficiency with specific attention for the role of the Danish embassies, including changes due to the introduction of DDD?	<ul style="list-style-type: none"> • Formal role of the Danish embassies in coordinating global and national FC PSD support, 2008-2021 • Coordination between embassies and central level in relation to different channels of PSD-FC support • Extent to which embassies are informed on PSD support • Capacity of the embassy (FTEs and profiles), 2008-2021 • Perceptions on the changing role of the embassies in view of DDD, 2008-2021 • Perceptions of other stakeholders (partner country stakeholders and other donors) on Danish FC PSD support 	<p>Interviews at three levels</p> <p>Workshops country level</p>	

4.3	To what extent are the MEAL systems a useful basis for assessing the performance and do they lead to learning and/or changes in programming (adaptive programming)?	<ul style="list-style-type: none"> • Quality of monitoring as reflected in progress and completion reports • Frequency and quality of MTRs, (external) evaluations and impact studies 		
5	To what extent has Danish support to framework conditions for PSD been sustainable?			
5.1	To what extent are the results of Danish support to framework conditions for PSD sustainable?	<ul style="list-style-type: none"> • Evidence that results (outputs and outcomes) are sustained without external support • The supported organisations continue to deliver services of the same quality to their members after withdrawal of support 	Document review at all three levels of analysis: <ul style="list-style-type: none"> • Overall strategic level • Country level • Thematic level Interviews at three levels Workshops country 1	See above
6	Is there evidence on (intended or unintended, positive or negative) intermediary impact and overall impact of the Danish support to framework conditions for PSD?			
6.1	Is there evidence on (intended or unintended, positive or negative) intermediary impact and overall impact of the Danish support to framework conditions for PSD?	<ul style="list-style-type: none"> • Increase in investments • Job creation • Economic growth 	Trinagulation of all methods and sources	

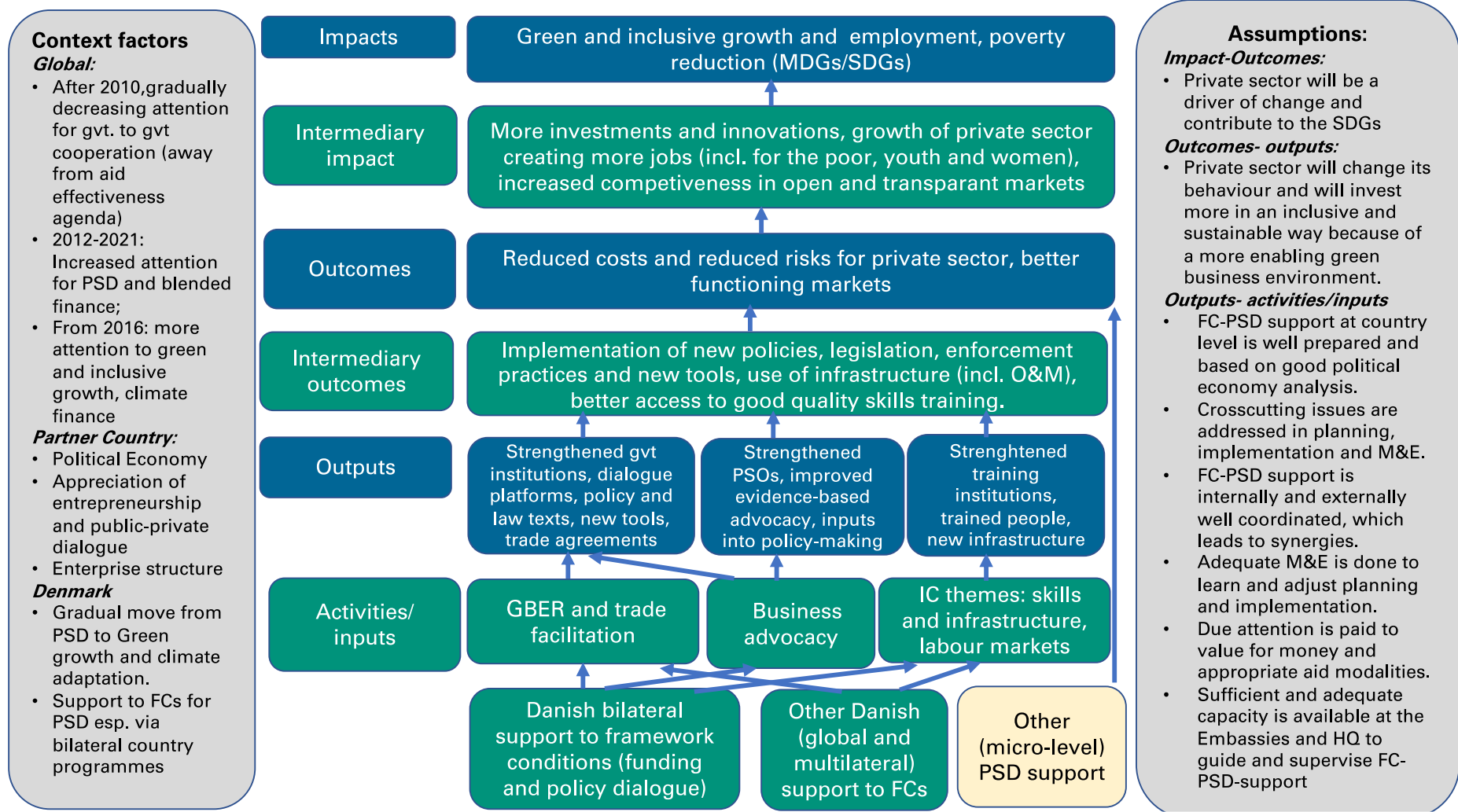
Annex 3 Evaluation Sample Ghana

FC Themes	Ghana			
	Period	Core sample		DKK mio
BER	2004-2009	Business Sector Programme Support. Component 1 Legal and Judicial reform, Component 2 The Culture for Business	Sub-Component 1.1: Legislative and regulatory environment for businesses	10
			Sub-Component 1.2: Business registry services	9
			Sub-Component 1.3: Commercial dispute resolution	18
			Sub-Component 2.2: Improved business practices	5
			Sub-Component 2.3: Improved public sector customer services for businesses	5
	2010-2014	Support to Private Sector Development - Phase II. Component 1: Business Environment.	Sub-Component 1.1: Private Sector Development Strategy II	45
Business Advocacy	2004-2009	Business Sector Programme Support. Component 2 The Culture for Business	Sub-Component 2.1: Business advocacy fund	29
	2010-2014	Support to Private Sector Development - Phase II	Sub-Component 1.2: Business advocacy fund	40
	2016-2020	Support to Private Sector Development - Phase III (SPSD III)	Component 1: Business advocacy fund	35
Trade Facilitation	2004-2009	Business Sector Programme Support. Component 4 Better Access to Markets.	Sub-Component 4.1: International trade negotiations	15
			Sub-Component 4.2: Product quality improvement	
			Sub-Component 4.3: SME competitiveness	
Core sample total				211
Broad sample: Trade facilitation				
	2004-2009	Business Sector Programme Support	Component 3 – Business Support Instruments.	74

Other PSD programme components	2010-2014	Support to Private Sector Development Phase II. Component 2: Enterprise Growth and Job creation.	Sub-Component 2.2: Agricultural Value Chain Facility	90
			Sub-Component 2.1: Skills Development Fund	65
	2016-2020	Support to Private Sector Development Phase III (SPSD III)	Development Engagement 2: Skills Development Fund, Phase II	95
			Development Engagement 4: Ghana Climate Innovation Centre	65
Other bilateral support	2014-2020	Ghana: Tax and Development Programme.	Tax and development (GRA)	212
			Domestic accountability (IMANI)	
			Domestic accountability (GII)	
	SSC	SSC Maritime Sector (2017-21)		
Multilateral support		ECOWAS: Accelerating Trade in West Africa: Preparatory work funded, but not clear whether Denmark provided funding for implementation.		
		Only multilateral investments in relation to the port and maritime area will be included.		
Research		Port efficiency and public private capacity (2019-)		

⁶⁷ Information on skills development will be accessed mainly through the country evaluation.

Annex 4 Theory of Change



Annex 5 Impact Cases

The following 44 cases were presented as ‘good impact cases’ in annual progress reporting of BUSAC III and in an end-of-project compendium prepared by the BUSAC Fund Manager. They have been colour coded depending on whether the project intended to contribute to national agriculture and food system, local small-scale producers, the business environment or the broader investment climate. The description of the results (outcomes) and the documentation of this has been assessed for each project case by the Evaluation Team.

Summary

	Number of projects	Documented results
National agriculture and food sector	7	2
Local small-scale producers	19	10
Business environment	14	3
Investment climate	4	1

Seven cases where objectives include an export crop or aspects related to trade are **highlighted with bold** in the table below.

PSO	Issue	Outputs	Claimed effects on business cost, risks or access to markets	Level of documentation	Comments (and source)
Ghana Institute of Engineers	Absence of legislation to regulate the practice of engineers, leading to sub-standard and at times dangerous constructions	The Engineering Council Act, 2011	Not indicated	Low	BUSAC end of project compendium
Ghana Bar Association and coalition of PSOs	Road traffic accidents take on average 1860 lives annually	National Road Safety Authority Bill, 2019	Not indicated. The law enables the National Road Safety Authority to further promote road safety	Low	Broader than just a private sector issue. (Annual Report 2019)
Ghana Association of Restructuring and Insolvency Advisors	The procedures for liquidating businesses in Ghana were archaic and anti-productive.	Corporate Insolvency Bill, 2019.	Lower cost for businesses implied. The bill provides a regulation of insolvency practitioners and facilitates access to timely, efficient and impartial liquidation proceedings	Low	No effects of the Bill reported BUSAC end of project compendium
African Cashew Alliance	Cashew value chain lacking structure and standards	The Tree Crop Development Authority Bill, 2019	Tree Crop Development Authority started in 2020 providing regulation and support to production and processing	Low	No effects of the authority reported yet.

PSO	Issue	Outputs	Claimed effects on business cost, risks or access to markets	Level of documentation	Comments (and source)
Ekumfi Srafa Pineapple Growers Association (ESPGA)	Knowledge and technology to growing pineapple unavailable locally	MoU with Ministry of Food and Agriculture to provide five extension officers to the community	Harvest waste and losses have been reduced considerably. Pineapple yield has also increased by threefold, and growers are able to produce quality pineapples to attract better prices from traders. There is also enough production to supply the new One District, One Factory (1D1F) facility in Namaben to produce juice. The membership of the association has increased from 350 to 500.	High	BUSAC end of project compendium
Brong Ahafo Coalition of Businesses Association (BACBA)	Businesses in Bono East Region were losing income caused by damage to gadgets due to unannounced electricity power outages.	In accordance with legislation, a complaints office was established in the region	Members no longer need to travel to Kumasi and Accra to lodge complaints saving cost and time. There has also been an improvement in power supply in the regions which has helped members sustain their businesses.	Medium	BUSAC end of project compendium
Benaba Women Farmers Association (BEWFA)	Connecting BEWFA Centre to the National Electricity Grid	16 electricity poles made available from the district office	Not reported	Low	BUSAC end of project compendium
Hen Mpoano	In the Ellebelle and Nzema East districts of the Western region, mangroves are overexploited for housing construction and as fuel wood for fish smoking.	Drafting and enforcing of by-laws in the two district assemblies. A Wetlands Conservation Committee was established	The committee replanted 18 hectares of degraded mangrove areas with 48,000 seedlings in the Ankobra Estuary. Fisherfolks have testified that the conservation has improved the breeding of fishes, shrimps and periwinkles. Increased income of fisherfolks from GHS 500 to GHS 1,000 - 2,000.	High	BUSAC end of project compendium
Hen Mpoano	Control of illegal fishing	Contribution to national fisheries co-management policy, increased arrests for illegal fishing	Not reported	Low	2017 Annual Report
Northern Rural Women Development	Farmlands were solely accessed by men hence the	MoU signed in 2018 to secure	The livelihoods of the women in the district have greatly improved as they are	Medium	BUSAC end of project compendium

PSO	Issue	Outputs	Claimed effects on business cost, risks or access to markets	Level of documentation	Comments (and source)
Association (NORWDA)	inability of women to farm for food and income thereby limiting the production capacity, livelihoods and incomes of members of NORWDA.	women access to land	able to access fertile land for production. They have recorded an increase in yields and can feed their families as well as make decent profits. Mumuni, a member of the association has increased her acreage from one to two acres. In the last farming season she harvested 30 (kg) bags of maize and 20 (kg) bags of rice as compared to the five bags of maize and four bags of rice she harvested in the previous season.		
Unity And Progressive Women Farmers Co-Operative Society Limited (PUWOFACS)	Lack of access for women to customary farmland	10 acres of land secured for the women association members through agreements	Expanded rice cultivation	Low	BUSAC end of project compendium
Ghana Society of Physically Disabled (GSPD)	The Disability Act, 2006 and the national disability policy emphasise the need for PWDs to have access to physical, socioeconomic, and employment opportunities. 1200 persons with disabilities were not benefitting from GoG programme	In February 2019, an MOU was signed with the Ministry of Food and Agriculture and members in Wenchi, Banda, Sampa and its surrounding areas	Received free seedlings and livestock to start farming and rearing of animals for the first time in November 2019.	Medium	(Annual Report 2019)
Kintampo Mango Farmers Association	Low yields because they lacked the requisite skills needed to address the Bacterial Black Spot disease	Practical Training for Sustainable Agriculture undertaken	Bacterial Black Spot disease has been well managed and farmers have experienced an increase in yields and income	Medium	BUSAC end of project compendium
Samsam-Odumase Co-operative Pineapple Growers and Marketing	Lack of smooth cayenne suckers for cultivation and export.	Access to planting material	Enabling export of pineapple to the EU. Farmers' revenue reported to have increased	Medium	BUSAC end of project compendium

PSO	Issue	Outputs	Claimed effects on business cost, risks or access to markets	Level of documentation	Comments (and source)
Society Limited					
Apam Canoe Cooperative Fishermen Company Ltd	Construction Of A Cold Store At Apam	Commercial fish storage facility constructed by authorities in 2016	Reduction of post-harvest losses. Possibilities to increase fishing volumes. Reports from fishermen of improved income	Medium	(Annual Report 2018)
Gomoa Okyereko Irrigation Cooperative Rice Farming & Marketing Society Ltd	Advocacy To Restore Broken Dyke	Ghana Irrigation Development Agency, constructed the broken dyke and allocated extension officers	Increased productivity and income for rice farmers in the area	Medium	BUSAC end of project compendium
Ghana Root Crops and Tubers Exporters Union (GROCTEU)	National Traceability Policy to create a database for tropical foods cultivation	The Ministry of Food and Agriculture (MoFA) has developed a traceability policy and database.	Better possibilities for export of root crops and tubers	Medium	BUSAC end of project compendium
Wood Workers Association Of Ghana - Eastern Region Branch (WWAG-ER)	Halt the degradation of forest resources in Eastern Region	Forestry Commission and the Ministry of Defence have jointly been involved in taking steps to ensure sustainability of the forests and safeguard the businesses of wood workers in the Eastern region of Ghana	Not reported	Low	BUSAC end of project compendium
Farmer organisations in Gomoa East and Awutu Senya Districts	Land rights, tenure and compensation rights secured for farmers	Traditional authorities allocated 100 acres land to farmers	Not reported	Low	Annual Report 2017

PSO	Issue	Outputs	Claimed effects on business cost, risks or access to markets	Level of documentation	Comments (and source)
Ghana Assorted Foodstuff Exporters' Association	Establishment of a single corridor packhouse	Ministry of Trade and Industry has given endorsement for establishment of packhouse	Not reported	Low	Annual Report 2017
Ghana Liquefied Petroleum Gas Operators Association	Enforcement of safety requirements for LPG	420 members established safety standards	Not reported	Low	Annual Report 2017
Ahanta West, Jomoro and Ellebele farmers and fishermen's association	Valuation and compensation of lands	MoUs signed with officials, Compensation guide developed	Not reported	Low	Annual Report 2017
Central and Western Fishmongers improvement Association	Land use management of mangrove areas	MoUs established. Land devoted for mangrove plantation	Not reported	Low	Annual Report 2017
Association of Ghana Industries	Simplify and reduce tax burden for businesses	GoG announced tax reviews 2017	A number of specific taxes and duties subsequently reduced with expected positive effects for the concerned sectors	Medium	Annual Report 2017
Ghana National Tailors and Dressmakers Association, Cape Coast	Awarding contracts for sewing school uniforms on a fair and transparent basis	Agreed with regional authorities about open bidding process	Implementation not reported. Possibility for better quality school uniforms and more income for association members	Low	Annual Report 2018
MURUGU-Mognori Community Resource Management Area	By-laws for areas allowing members to undertake income generating activities	By-laws passed protecting wildlife and natural resources	Should promote sustainable use of the area by the local communities	Low	Annual Report 2018
Assin-Adiembra Co-Operative Farmer Society Ltd	No access to high-yielding oil palm seedlings	Improved access to seedlings from nursery and research institute	Better varieties expected to provide higher yields and income	Low	Annual Report 2018
Ghana electrical contractors' association	Proper regulation of electrical installation practice	Energy Commission started licensing all	Better business opportunities for association members	Low	Annual Report 2018

PSO	Issue	Outputs	Claimed effects on business cost, risks or access to markets	Level of documentation	Comments (and source)
		electrical contractors in Ghana			
Global Shea Alliance	Enable private sector shea nut collectors to set their own prices	Ghana cocoa Board stopped announcing prices for shea in 2014	Prices for shea collectors have gone up and provided better livelihood	Medium	Annual Report 2018
Ghana Grains Council	Standardised grain pricing policy and grading system	Farm gate prices for grains not announced from 2016	Free market price and better prices for grain companies and producers	Low	Annual Report 2018
Ghana Tourism Federation	Review of the 17.5% VAT on domestic flights	VAT was removed from the 2017 budget	Lower flight prices and an increase of almost 10% in domestic passengers that year. Not clear who benefits.	Low	Annual Report 2018
Ghana National Chamber of Commerce and Industry	Reduce the costs of doing business at the ports of Ghana	Some improvement, including the introduction of e-payments	Not reported	Low	Annual Report 2018
Tourism Operators' Union of Ghana	Establish national strategy for the protection of water bodies and wetlands	Water Resource Commission has taken steps to stop encroachment of water areas	Not reported	Low	Annual Report 2018
Record Producers and Music Publishers Association of Ghana	Copyright and anti-piracy measures	GoG established task-force to monitor piracy in 2013	Not reported	Low	Annual Report 2018
Alliance of Young Entrepreneurs of Ghana	Dialogue with GoG Youth Entrepreneur Fund	MoU and dialogue established	Not reported	Low	Annual Report 2018
Binduri Dam Water Users Association	Dialogue with District Assembly on fixing taxes and duties	Dialogue engaged	Note reported	Low	Annual Report 2019
Eureka Garages Association	Promote technical training of auto mechanics	Training received	Increased business for members	Low	Annual Report 2019
Association of Ghana Industries –	Avoid submitting a Bid guarantee in	Declaration forms replaced bid	Reduced cost of service provision for bidders from construction industry	Medium	Annual Report 2019

PSO	Issue	Outputs	Claimed effects on business cost, risks or access to markets	Level of documentation	Comments (and source)
Construction Sector	GoG bidding procedures	guarantees by end 2018			
The Black Star International Film Institute	Promotion of Ghanaian film industry abroad	MoU with GoG to show promotional material for Ghanaian movies at embassies	Not reported	Low	Annual Report 2019
Ghana National Chamber of Commerce and Industry	Duty drawback scheme causing delays in duty refunds	Outstanding duty drawbacks reduced	Assumed lower cost for companies to claim duty back	Medium	Annual Report 2019
Ghana Rice Interprofessional Body (GRIB)	Low exports due to sub-standard rice	Training and awareness raising of own members	Increased awareness in the industry of the importance of rice standards	Low	Annual Report 2019
Vision World Network & Hen Mpoano	Non-sustainable practices in the rubber sector	Biodiversity conservation plan and training of smallholders	Introduction of inter-cropping in rubber plantations and increased smallholder productivity and incomes	Medium	Annual Report 2020
Yam and Cassava Farmers Association	Poor road network in the Offinso North District.	Rehabilitation of seven roads by the district authorities	Reduced transport time and costs, reduced post-harvest losses and farmers have increased their livelihoods	Medium	Annual Report 2020
Federation of Tomato Growers Association of Ghana	Available tomato seed varieties not in demand by the market	Council for Scientific and Industrial Research in Ghana facilitated provision of new seed varieties to the country	Anecdotal evidence of improved sales for some farmers	Low	Annual Report 2020