

# **Review Of Progress Toward Milestones and Results**

**Year One (July 1998 - June 1999)**

**June 1999**



**Sigma One Corporation**

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**Submitted to:**

**U.S. Agency for International Development  
Mission to Ghana**

**for:**

**Trade and Investment Reform Program (TIRP)  
Improved Policy Reform and Financial Intermediation  
USAID Contract Number: 641-C-00-98-00229**

**by:**

**Sigma One Corporation**

**In fulfillment of the following milestones:**

**1.15 Evaluate progress toward milestones and results (Year 1)**

**June 1999**

**Sigma One Corporation**

**USAID Trade and Investment Reform Program  
Improved Policy Reform and Financial Intermediation**

**REVIEW OF PROGRESS TOWARD MILESTONES AND RESULTS  
YEAR ONE (July 1998- June 1999)**

**Introduction**

Sigma One Corporation staff from North Carolina and the Accra field office met on three occasions during the period 31 May to 6 June 1999 to review progress toward achievement of milestones and results. The meetings were held in the Accra field office under the leadership of Dr. Joseph Goodwin (Chief of Party) and Ms. Marielouise W. Harrell, Vice President. The Accra field team included Ms. Beatrice Dovlo (Field Coordinator), Mr. K. B. Amissah-Arthur (Expenditure Control/Fiscal Economist), and Dr. Jay Salkin (Senior Monetary Economist). The evaluation process was coordinated by Ms. Harrell as the designated internal evaluation person for Sigma One Corporation. Dr. David Franklin, President of Sigma one Corporation, and Mr. Ralph Franklin, Policy Analyst, also participated in the review process at the conclusion of the Labor Market Forum in Sogakope. The process included visits to USAID to interview the SO1 Team and to obtain guidance from the USAID monitoring and evaluation officer regarding USAID requirements for monitoring and evaluation for the Trade and Investment Reform Program. Ms. Harrell and Dr. Goodwin also visited a selected number of stakeholders in the private sector and the government.

The process was primarily internal to the contractor's personnel and it was intended to serve as a management tool to improve service delivery to all stakeholders and to the client, USAID/Ghana. The principal results of the process have been incorporated into a life of contract work plan and budget review (submitted separately to the SO1 Team), a revised and improved protocol for delivery of technical assistance services, and this report which addresses the specific issues of progress toward achieving milestones.

This report presents an enumeration of the milestones that had been met at the time of the review. A summary of actions to be taken to complete year one milestones during the early part of contract year two is presented and includes discussion of any mitigating circumstances. The report includes a plan to accomplish all remaining contract milestones.

**Summary of Findings**

Progress toward milestones associated with Contract Line Items 1 and 2 (CLINs 1 &2) met or exceeded expectations. CLIN 1, *Promote Participatory Policy Change*, milestones for year one were centered on establishing the methods and bases for involving civil society in the process of policy analyses, change and reform. CLIN 2, *Adoption and Implementation of Policy and Regulatory Reform*, milestones were centered on working with the Government of Ghana to implement specific policy and regulatory reforms. Notable among the successes under these two

sets of milestones and results was the progress toward implementing the Value Added Tax system and other processes for improving government revenues, support of the participatory tripartite review of labor market performance to increase flexibility in a context of international competitiveness. Other highlights included several high-level policy dialogue activities by the private/public partnership for increased international competitiveness, e.g. the fora led by Professor Anne Kreuger in November 1998.

CLINS 3 and 4, which are associated with improved financial intermediation, did not experience the same degree of accomplishment as the other two policy dialogue and implementation activities. There were several mitigating circumstances for this outcome. The financial sector activities did not begin in full force until midway through contract year one with the arrival of the Sr. Monetary Economist in January 1999. Financial sector activities were thus limited to diagnostic efforts undertaken by short-term advisors, and proactive and participative activities with the stakeholders in the financial sector did not begin until recently. Additionally, some of the Program Milestones in these areas have been assigned as the primary responsibility of the IMF by the Bank of Ghana, and their accomplishment is outside the direct control of the Sigma One Corporation Team. There were significant achievement in these areas, however. These included, “*A Review of SSNIT and Other Elements of the Pension System*”, and the *Ghana Financial Futures Exchange Workshop*, held in June 1999 with TIRP support. This latter served to satisfy the milestone calling for a conference on financial sector innovations in Ghana. The milestones associated with logistics and support to the four core CLINs were met as planned and with a high degree of efficiency and effectiveness.

The completed milestones are presented below. These are followed by a listing of the milestones which remain to be accomplished and a narrative on the actions to be taken to achieve the desired results.

#### **Milestones USAID/Ghana has Confirmed as Completed**

**Milestones 1.1, 2.1, 3.1 Chief of Party/Senior Policy Expert mobilized and performing in Ghana**

**Milestones 1.2, 2.3, 3.2, 4.1 Annual Work Plan for 1998-1999 finalized incorporating GOG priorities**

**Milestone 1.3 - Draft Protocol for Informing Parliament Prepared and Submitted to USAID**

**Milestone 1.4 - Mailing List of Opinion Leaders Prepared for Receiving Briefs, Newsletters and Other Documents**

**Milestone 1.5 - Develop a Plan for National Consultations on the TIRP Policy Agenda**

**Milestone 1.6 - Government approval of Draft Policy Agenda**

**Milestone 1.7 - Overall Work Plan for 4.5 Years Finalized**

**Milestone 1.8 - Acceptance of Protocol for Providing Contact Assistance for Officials or Private Sector Leaders**

**Milestone 1.9 - Formation of a Participatory Policy Working Group**

**Milestone 1.10 - A Protocol for the Working Arrangements of the Participatory Policy Working Group**

**Milestone 1.12 - Design a Public Awareness Campaign for Dissemination of Policy Reforms**

**Milestone 1.16 - Present Budget and Legislation to Parliament in January (Completed for 1999)**

**Milestone 2.02 - Senior Monetary Economist Mobilized and Performing in Ghana**

**Milestone 2.05 - A Document to Guide a Tripartite Review of the Labour Market**

**Milestone 2.06 - Develop plans for revenue enhancements**

**Milestone 2.12 - Develop an Action Plan to Enforce Compliance with BOG Policy Eliminating Foreign Exchange Declarations on Non-Traditional Exports (NTEs)**

**Milestone 2.13 - Deliver Annual Draft Documents to Assist GOG to Develop Evidence of NPA Conditionality - 1998/99**

**Milestone 2.19 - A Study on bans and controls on commodities such as rubber, yams and cotton**

**Milestone 2.22 - Elimination of Export Bans for Products such as Cotton Lint, Natural Rubber, Scrap Metal and Yams**

**Milestone 3.03 - Senior Monetary Economist Mobilized and Performing in Ghana**

**Milestone 6.1 - At Least one Workshop held in Ghana per year (Road Sector, January 6, 1999)**

**Milestone 6.2 - Workshop/Seminar with Participatory Policy Working Group (Labour, March 5, 1999)**

**Milestone 6.3 - One Seminar held in Ghana per year (Tax Administration, March 17, 1999)**

**Milestone 6.4 - One Conference held in Ghana per year (Dr. Anne Kreuger's November 1998 Meetings)**

**Milestone 9.1 Field Office Opened**

**Milestone 9.2 Office Support Staff Hired**

### **Year One Milestones to be Completed after June 30, 1999**

#### **1. Milestone 1.11 - National Economic Forum**

**Action to be taken** - The position of the Minister of Finance is that there will/should be no National Economic Forums before 2001. We therefore need to meet with USAID and agree as to whether to redefine or eliminate the Milestone. Sigma One Corporation will propose to USAID that given the broad representation and the depth of issues covered at the National Labour Forum just completed at Sogakope, that it serve to satisfy this milestone for year one.

**Timing** - Meet with USAID in June-September period 1999 and then exchange letters, clarifying what, if any, redefinition will take place. Subsequent to this review USAID accepted the recommendation to substitute the National Labour Forum for the National Economic Forum.

#### **2. Milestone 1.13 - Develop Plan for Dissemination of Semi-Annual or Quarterly Newsletter to Report on Policy Change**

**Action to be taken** - The Sigma One Corporation North Carolina office will prepare the first edition of the Newsletter in NC based on the labor market reform process. They will bring the Newsletter to Ghana and work with Ms. Dovo to put it in final form and disseminate it. The proposed theme of the second Newsletter is the National Consultations on Competitiveness and/or Progress since the North Carolina Conference.

**Timing** - The first Newsletter should be out by the end of September 1999. The second by the end of November 1999.

#### **3. Milestone 1.14 - Annual Update to North Carolina Conference and Prepare Briefs for National Economic Forum**

**Action to be taken** - Dr. Salkin, the Senior Monetary Economist, will utilize the Policy Matrix in the North Carolina Report to coordinate an analysis of the extent that the

economy-wide symptoms of policies that impede international competitiveness, as presented in the report have changed. At the time the review was underway, USAID received a request from the Vice President for a review of progress since the North Carolina conference. The work on this milestone will serve to fulfill this request from the Vice President.

**Timing** - The draft report will be completed by end September 1999.

**4. Milestone 1.17 - Town Hall Meeting in one or two regional cities to increase public awareness**

**Action to be taken** - A meeting was held with senior government officials to discuss the holding of a regional meeting to discuss the new cocoa sector reform policy. The meeting confirmed interest in this area, but a time for the meeting was not confirmed. Follow-up discussions will clarify what our role/support would be, as well as where and when the Town Hall meeting will be held.

**Timing** - The Town Hall meeting should be held in July or August, 1999.

**5. Milestone 2.4 - An action plan presenting a strategy for improved monetary management**

**Action to be taken** - Dr. Salkin will review the paper prepared by Dr. Franklin last August and submitted to Dr. Kumah at the Bank of Ghana. Using that base as a starting point, he will either update that paper or prepare a new strategy paper for submission to Deputy Minister Selormey at the Ministry of Finance.

**Timing** - August 1999

**6. Milestone 2.7 - Protocol submitted to IMCC with USAID clearance for identifying specific TA tasks for GOG policy makers.**

**Action to be taken** - A draft protocol will be prepared that relates the TA tasks to the policy agenda and the Task Forces.

**Timing** - Protocol prepared and submitted to USAID by end August 1999

**7. Milestone 2.8 - Quarterly briefs on monitoring and evaluation of events in relation to targets with IMF and other donors.**

**Action to be taken** - The focus of this activity is to encourage analysis and discussion on the Ghanaian economy through monitoring and evaluating events in the Ghanaian economy that impact on IMF and donor targets. One of the first actions to be taken is to identify those IMF and donor targets to be monitored. The whole team will meet monthly

the Friday before the 10th of the month to review developments in the economy in the last month, especially as they relate to donor programs. The discussions will be written up, and, be the basis for a quarterly report on the economy.

The data base for the briefs is being assembled: the World bank Africa Database has been downloaded, and selected series on Ghana have been extracted to an EXCEL spreadsheet. Data from BOG, GSS and the latest IMF reports will be merged to update the series. Other sources will be considered as appropriate.

**Timing** - Monthly for the discussions and quarterly for the briefs. A draft outline for the first brief will be prepared by end-August. The first report should be available in September.

### **8. Milestone 2.9 - Develop database for monitoring competitiveness**

**Actions to be taken** - The focus of this activity is the development of the competitiveness report. The three main areas of analysis are: 1) macroeconomic analysis; 2) the microeconomic analysis; and 3) the private sector perceptions study. Dr. Salkin is in charge of the macro-economic analysis; Dr. Goodwin is in charge of the micro-economic analysis and Mr. Amissah-Arthur of the study on the private sector perceptions of policy and regulatory impediments to competitiveness.

**Timing** - The SOWs have been completed and analysis will begin in early June 1999. The first draft of the report combining all three sections should be completed by August 31, 1999. Final report by September 30, 1999.

### **9. Milestone 2.10 - Develop a document to guide improved access to land for agricultural and industrial uses.**

**Actions to be taken** - Dr. Fred Boadu of Texas A&M University has drafted a "road map on land acquisition in Ghana". This road map will be reviewed by key public and private sector officials, revised as needed and then be made available to the Ghana Investment Promotion Center (GIPC), commercial offices in foreign embassies and Ministry of Lands and Forestry etc. for comment and review, before putting it into final.

**Timing** - The report should be finished by September 1999.

### **10. Milestone 3.4 - Formation of Financial Sector Working Group**

**Action to be taken** - The IMCC has approved the formation of the Financial Sector Working Group which will be renamed the Financial Sector Consultative Committee.. A letter was sent to the BOG requesting the Bank to take the lead in forming the working group. The Chairperson of the IMCC or his representative should send a letter to the

Deputy Governor of the Bank of Ghana, requesting him, as the BOG, IMCC representative to take the lead in coordinating the formation of the Group. A draft letter has been prepared for signature requesting such action. Draft Terms of Reference for the Group have been prepared.

**Timing** - It is anticipated that the Consultative Committee can be formed before the end of the August.

### **11. Milestone 3.5 - A protocol for the working arrangements of the Financial Sector Working Group**

**Action to be taken** - Dr. Salkin has a first draft of the protocol. This will need to be vetted with the Working Group once it is formed.

**Timing** - If the Working Group is formed before the end of August 1999, then the protocol should be agreed to by the end of August 1999.

### **12. Milestone 3.6 - Draft Report on the deficiencies in the regulatory and supervisory practices in the financial sector**

**Action to be taken** - Chemonics have been suggested as consultants for the second phase of this work (The Linville-Wells Report was the first phase). A scope of work will be prepared and submitted to the NC Office for review and contracting. The Wells-Linville report should contain useful information. The IMF have already had one consultancy reviewing off-site and on-site supervision, as well as data requirements for supervision. The IMF report is being reviewed by the BOG and a request for support from the IMF is expected shortly. Chemonics has submitted a draft Scope of Work for consultancy to review regulations and practices with a view toward the Basle standards. There is a need to liaise with the BOG, MOF, IMF, PEF, the Banking Association and other relevant stakeholders. Logically, this review should fall under the Financial Sector Working Group or the Financial Intermediation Task Force.

**Timing** - Action on this Milestone could start after the formation of the Financial Sector Consultative Committee and upon approval by the BOG of the SOW.

### **13. Milestone 3.7 - Review of Ghana's Bank Supervision regulations and practices in accordance with "Basle Standards"**

**Action to be taken** - Given the IMF involvement in this area, there is a need for the development of a strategy document that defines the relevant roles for the IMF and USAID/Sigma One Corporation. Given the expected arrival of an IMF staff member to develop the SOWs for the work, it would be useful to meet with that person to discuss

collaboration. If the IMF is to conduct the work from the perspective of the BOG perhaps the Sigma One assistance should be focused on the analysis from the perspective of the private banking sector.

**Timing** - The strategy piece demarcating the relevant role for Sigma One Corporation can only be completed after discussions with the BOG and/or the Financial Sector Consultative Committee. Implementation timing can only be determined after the completion of the strategy piece.

#### **14. Milestone 4.2 - A collaborative action plan with other TIRP implementing contractors/institutions for mobilizing the informal sector**

**Action to be taken** - Three activities are being contemplated under this Milestone:

1. Assist the Government of Ghana to undertake a comprehensive study of agricultural and rural finance and prepare a strategic plan for the mobilization of rural resources and development of additional sources of credit to the agricultural sector and (as part of Milestone 3.13) review and analyze options as to the role, strategy, governance and ownership of the Agricultural Development Bank.

2. The Micro-Finance Institutions Action Research Network, which includes Government of Ghana, BOG, various financial institutions, NGOs, TNS and Sigma One Corporation, has prepared a Micro-Finance Institutions Strategic Framework, which is being considered by Government. The Framework, which should be approved shortly, provides for an action plan that TIRP resources may help implement

3. In addition, the SSNIT review provides proposals for extending the pension system to the informal sector with programmes that can mobilise informal sector savings, which can provide the basis for increased credit facilities. TIRP may provide additional support to the network and the research it commissions.

**Timing** - To be determined

#### **15. Milestone 4.3 - Conference on financial innovations in the financial sector in Ghana**

**Action to be Taken** - A workshop on the development of a futures market in Ghana is to be held with USAID/Sigma One collaboration in the immediate future. The Futures Exchange Workshop will cover some financial innovations, as will the African Capital Markets Forum. But, the strategic document for broadening products on the Ghana Stock Exchange may also provide the basis for a conference.

**Timing** - The Financial Futures Workshop will be held on June 10-11, 1999.

## **16. Milestone 4.5 - Develop a conceptual strategy for developing innovative financial instruments**

**Action to be taken** - This will follow from the discussions with the Financial Sector Working Group and addressing the Milestones dealing with the broadening products on the GSE and the above conference.

**Timing** - After the conference results have been considered by the Financial Sector Working Group.

## **II. Activities that are programmed to be completed in the second year - July 1999 - June 2000**

### **1. Milestone 1.16 - Present budget and legislation to Parliament for January**

**Actions to be taken** - Sigma One Corporation will provide assistance as requested for preparation of the National Budget for the year 2000.

**Timing** - Actions to be completed by end of December, 1999.

### **2. Milestone 2.6 - Develop plans for revenue enhancement**

**Action to be taken** - During this work plan this Milestone will undertake the implementation of plans for revenue enhancement developed during the last year. In May of 1999, Sigma One Corporation, through the services of Dr. Robert Conrad developed and presented to the GOG a tax reform plan that provided for major improvements in the Internal Revenue Service (IRS) and the Customs, Excise and Prevention Service (CEPS). Given the anticipated revenue shortfall in revenues from traditional sources, as a result of the cocoa sector reforms and falls in international commodity prices, there is an urgent need to address the potential revenue shortfall problem. The Sigma One Corporation tax program provides the basis for improving the revenue estimation procedures as well as tax collections. The specific activities to be undertaken during this period are:

1. Undertake a Training of Trainers program in collections procedures using the new IRS Collections Manual developed by TIRP/Sigma One Consultants for the Ghana Internal Revenue Service (September 1999).
2. Assist the Ministry of Finance (MOF) to undertake a review of tariff exemptions with the goal of reducing exemptions and increasing revenue (August-September 1999).

3. Assist the MOF and the revenue agencies in developing new revenue forecasting systems (August-September 1999).

**Timing** - The Sigma One Corporation report was reviewed and discussed in detail in the month of June. The analysis will begin in August, 1999. The tax work will continue throughout the year, with the July-December 1999 period being the time of intensive analysis and implementation.

### **3. Milestone 2.8 - Quarterly briefs on monitoring and evaluation of events in relation to targets with IMF and other donors**

**Action to be taken** - Same as discussed above.

**Timing** - Quarterly

### **4. Milestone 2.9 - Develop database for monitoring international competitiveness**

**Action to be taken** - The competitiveness work of 1999 will be reviewed for completeness; and the SOWs revised for 2000 to include additional crops and industrial products, as well as identifying data weaknesses that warrant attention.

**Timing** - The preparation of the second year efforts on monitoring competitiveness will begin in January 2000 and continue until late July 2000.

### **5. Milestone 2.13 - Deliver annual draft documents to assist the GOG to develop evidence of NPA conditionality**

**Action to be taken** - The entire Sigma One Corporation team will assist in this process of helping the IMCC to agree on the benchmarks/conditionality as well as assisting the IMCC to develop the evidence.

**Timing** - The establishment of benchmarks needs to begin in June or July with agreement on the composition by August 1999. The timing of the evidence needs to be coordinated with USAID/MOF agreed upon time schedules.

### **6. Milestone 2.14 - Document for monitoring expenditure control**

**Action to be taken** - Computer hardware and software needs to be purchased for the Expenditure Monitoring Unit (EMU). In addition, technical assistance needs to be provided to set up the system and make it operational. The EMU group is to be trained in data base handling skills (probably in Access and Excel). The Controller and Accountant General staff also have a role in solving the problem. A SOW is being prepared for forwarding to NC for implementation.

Assistance will be provided to the Aid and Debt Management Unit of the MOF to review procedures for data capture of donor flows.

Assistance will be provided to the MOF in developing a method of linking the old budget system with the new system developed for the Medium Term Expenditure Framework.

**Timing** - The SOW went to NC the second week of June, and after approval the consultant will begin work. The system should be operational September 1999.

#### **7. Milestone 2.15 - Document on dividends, ways and means advances, NPART, revaluation account, OMOs, single market government securities as means of financing**

**Action to be taken** - A document will be prepared by Dr. Salkin for the Ministry of Finance examining the use and impact of each of the above instruments as financial instruments. This will be covered in part by the quarterly brief. It will also be covered by the fuller paper for Milestone 2.4.

**Timing** - The report will be completed by the end of December, 1999.

#### **8. Milestone 2.16 - Position paper on BOG role in providing liquidity for markets**

**Action to be taken** - Discussions will be held with the BOG and Ministry of Finance on the above topic with an outline presented for discussion and comment. Once agreement is reached on the outline, Dr. Salkin will prepare the paper with input as needed from other Sigma One Corporation staff members. (This work could be part of the paper prepared for Milestone 2.4).

**Timing** - This activity will not begin before January 2000.

#### **9. Milestone 2.17 - Submit proposal for reduced variance and lower average tariffs for Parliament's consideration**

**Action to be taken** - The tax reform program proposal prepared by Sigma One Corporation calls for an analysis of the tariff system. The main objectives will be to raise effective duty rates (reducing the number of zero rates and tightening exemption schemes) lowering average rates and increasing harmony with sub-regional practices. The assistance provided will not only assist in the analysis, but in converting the analysis into suggested legislative language.

**Timing** - The team is anticipated to arrive in Ghana in August 1999 to begin the analysis. The suggested legislative changes should be ready for the 2000 budget speech.

## **10. Milestone 2.18 - An action plan for reducing controls on importation of agricultural and industrial inputs**

**Action to be taken** - A SOW will be prepared to contract with a local consultant to review the present system of import controls, their reason and their effects. The consultant will recommend those import controls that should be eliminated or eased and develop an action plan for reducing those controls.

**Timing** - The scope of work will be prepared in September and the consultant will begin the work in October with a delivery date of November.

## **11. Milestone 2.20 - An action plan for analyzing and implementing foreign exchange liberalization policies**

**Action to be taken** - This is an area that needs to be raised with the MOF, MOTI and BOD. It may follow on from the African Capital Markets Forum in August. One or more of the TIRP Task Forces may take up the issues of exchange control liberalization. This could lead to a review of the remaining constraints and fears regarding exchange control liberalization. A proposal for the preparation of a strategic framework for exchange control liberalization could lead to a 1-2 month consultancy. A SOW would need to be prepared to contract with a consultant to review the present system of foreign exchange controls and the need for greater liberalization. The consultant recommendations should include an action plan to implement the recommendations.

**Timing** - To be determined

## **12. Milestone 2.21 - An action plan for reduction of custom barriers**

**Action to be taken** - The tax reform work with the CEPS includes a review and analysis of how to improve the customs implementation system. At present the focus of the proposed work is at the Ports. This work should be complemented with an analysis of overland entry points and road barriers. This latter analysis should detail the costs in financial and time delays of these barriers. This will entail working with the members of trucking associations and actually having researchers travel with trucks and record the transactions costs and delays. Detailed SOWs need to be prepared for both phases of the work. The SOWs will specify that the reports prepared must include an action plan with the recommendations.

**Timing** - The SOWs should be completed by the end of August with the analysis to be done in September/October.

### **13. Milestone 2.25 - Tripartite compact for increasing flexibility of the labor markets**

**Action to be taken** - The initial focus of the labor market work will be the follow-up actions required after the Labour Forum. Work is to continue with the Ministry of Employment and Social Welfare, assisting them in fostering the dialogue required to finalize the Labor Code for presentation to Parliament. This will involve: 1) providing support to the tripartite group named at the Forum to review the draft labor code that emerged from the Forum; and 2) incorporating the emerging issues which had not been contemplated before the Forum, into the labor law. Once the activities in support of the labor law are completed, attention will turn to addressing some of the longer term issues in the sector. The longer term issues identified at present are: 1) providing support for monitoring of formal sector employment; 2) providing support for the development of the national employment statistical system; and 3) assisting efforts to reorganize the MESW to enable it to respond to changes in the labor law.

**Timing** - The first two activities are expected to be completed by December 31, 1999. The other activities are expected to begin in 2000 and continue for about 18 months.

### **14. Milestone 3.8 - Training Plan and syllabus for training BOG and Banking System participants to implement Basle Standards**

**Action to be taken** - This will follow on the review and revision of the banking regulations. Consultations need to be held with the relevant supervisory authorities, mainly in the BOG.

**Timing** - Commencement of the consultancy for this training might be possible in fourth quarter 1999 or in first half of 2000.

### **15. Milestone 3.9 - Strategy document for identifying strategies for broadening the products listed on the GSE**

**Action to be taken** - The development of this document should follow from the Futures Exchange Workshop and the African Capital Markets Forum. The use of New Africa Advisors as consultants for this strategy document was discussed in the program review. Local consultants need to be engaged as well. A TOR for the work is needed. In addition, Boulders Advisors is preparing an unsolicited proposal for development of a credit rating system. This will need to be reviewed and evaluated in light of previous work on this subject before a decision can be taken as to whether to proceed.

**Timing** - The SOW could be prepared in August, and work commence in September.

**16. Milestone 3.10 - Simplified version of bank supervision standards is published in easy to read style to promote transparency**

**Action to be taken** - This publication needs to flow from the work on Bank supervision to be done in Milestones 3.7 and 3.8. The Chemonics draft Scope of Work contains provision for this. It should logically follow on from the review and revision of the banking regulations. The relevant task force could be instrumental in pushing for and reviewing the user-friendly supervision guide.

**Timing** - Hopefully agreement can be reached as soon as possible on a donor coordinated approach to addressing the issues in the Banking Supervision area. A time frame to implement the approach should result from the discussions.

**17. Milestones 3.11 and 4.6 - Quarterly meetings of the Financial Sector Working Group.**

**Action to be taken** - This is awaiting action by the BOG.

**Timing** - To be determined.

**18. Milestone 3.13 Prepare strategic documents for improvements in financial sector regulations and supervision**

**Action to be taken** - During the July 1999-June 2000 period, two actions are contemplated:

1. Analysis of the feasibility of developing a credit rating system in Ghana at this time; and
2. Undertake as part of a rural finance survey (Milestone 4.2), an analysis of the present performance and future role of the Agricultural Development Bank in the rural finance sector in Ghana and options for ADB ownership.

**19. Milestone 4.7 Annual workshop on financial innovations in the financial sector in Ghana**

**Action to be taken** - The Futures Exchange Workshop will cover some financial innovations, as will the African Capital Markets Forum. But, the strategic document for broadening products on the Ghana Stock Exchange may also provide the basis for a conference. TIRP can support the workshop with suitable resource persons.

**Timing** - The first half of 2000.

**20. Milestone 6.1 - One workshop held in Ghana per year**

**Action to be taken** - Identify, with staff, specific topics that can be used to meet this requirement and coordinate the preparation and holding of the workshop.

**Timing** - To be determined

**21. Milestone 6.2 - Hold Workshops/Seminars with Participatory Policy Working Group**

**Action to be taken** - Identify, with staff, specific topics that can be used to meet this activity and coordinate preparation and holding of the seminars/workshops.

**Timing** - To be determined.

**22. Milestone 6.3 - One seminar held in Ghana per year**

**Action to be taken** - Identify, with staff, specific topics that can be used to meet this requirement and coordinate the preparation and holding of the seminar.

**Timing** - To be determined.

**23. Milestone 6.4 - One conference held in Ghana per year**

**Action to be taken** - Identify, with the staff and IMCC possible activities that could serve to meet this Milestone and coordinate preparation and holding of the conference.

**Timing** - To be determined