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EVALUATION

PERFORMANCE EVALUATION OF THE PARTNERSHIP FOR GROWTH IN GHANA

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PERFORMANCE EVALUATION OF THE PARTERNSHIP FOR GROWTH IN GHANA

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Cover Photo: Workers maintain the thermal power station at Takoradi, Ghana,

Credit: Jonathan Ernst, World Bank

ABSTRACT

This report presents the results of a final performance evaluation of the Partnership for Growth (PFG) in Ghana, a shared development framework promoting economic growth. The evaluation used desk review and interview data to answer three questions:

1. What has been the overall impact of PFG in Ghana, and how did the various lines of action contribute to this outcome?
2. How did the PFG approach affect the bilateral relationship – including U.S. Government (USG) and Government of Ghana (GOG) program implementation and dialogue – in each partner country, both in intended and unintended ways?
3. What best practices and lessons can be learned from the PFG approach to: a) apply to the bilateral relationship in Ghana and b) apply to future USG assistance efforts worldwide?

The evaluation found that the PFG's greatest strength was its convening ability. This brought together GOG and USG representatives in the power and credit sectors, enabling collaboration between disparate institutions and individuals with different expertise and resources. It also caused the institutions to take responsibility for common objectives and made it easier for those institutions to organize and share ideas. Additionally, PFG facilitated the establishment of a shared set of metrics and supported the drafting of widely shared technical studies and policy documents that contributed to GOG planning and decision-making.

The main challenge that PFG faced was the absence of new funding streams for identified interventions, which limited the ability of some agencies to meet performance and diminished overall enthusiasm for PFG. Additionally, while some limited funding was initially diverted from other projects to support the PFG secretariat, that funding was exhausted by the time of this evaluation, which affected the secretariat's ability to implement its mandate. PFG also failed to establish universal definitions for small and medium enterprises, which could have reduced service redundancy in that area. The absence of a formal strategy to bring in private sector actors and civil society organizations may have also limited broader buy-in to the PFG agenda, and PFG did not explicitly incorporate gender issues or include a mechanism for integrating such issues into its reporting chain.

As PFG concludes, the evaluation recommends that the partnership establish a clear exit strategy and sustainability plan; preserve and institutionalize indicator collecting and reporting practices; and hold a final convening of USG and GOG PFG personnel to share final lessons learned and retain best practices. As some elements of PFG are expected to be preserved beyond the life of the initiative, the evaluation also recommends that the USG and GOG extend additional funding to the PFG secretariat to enable continued coordination, and consider involving other funding agencies to expand funding options. PFG should also expand the provision of monitoring and evaluation services to the credit and power sectors, and clarify overlapping mandates between the heads of relevant ministries and institutions to avoid duplication of efforts.

CONTENTS

ACRONYMS

ADB	Agricultural Development Bank
BoG	Bank of Ghana
CA	Constraints Analysis
CEPA	Center for European Policy Analysis
DANIDA	Danish International Development Agency
DOS	Department of State
E3	Bureau for Economic Growth, Education, and Environment (USAID)
ECG	Electric Company of Ghana
EP	Office of Economic Policy (USAID/E3)
EQ	Evaluation Question
EXIM	Export-Import Bank
FinGAP	Financing Ghanaian Agriculture Project
FINSSP	Financial Sector Strategy Plan
GIFMIS	Ghana Integrated Financial Management Information System
GOG	Government of Ghana
GRIDCo	Ghana Grid Company
GSE	Ghana Stock Exchange
IDG	International Development Group
IPP	Independent Power Producers
JCAP	Joint Country Action Plan
JSC	Joint Steering Committee
KII	Key Informant Interview
LOA	Line of Action
M&E	Monitoring and Evaluation
MCC	Millennium Challenge Corporation
METSS	Monitoring, Evaluation, and Technical Support Services (USAID/Ghana)
MOBD	Ministry of Business Development
MOFEP	Ministry of Finance and Economic Planning
MOTI	Ministry of Trade and Industry
MSI	Management Systems International
MSME	Micro, Small-, and Medium-sized Enterprises
NBSSI	National Board for Small Scale Industries
NEDCo	Northern Electricity Distribution Company

NIB	National Investment Bank
NPRA	National Pensions Regulatory Authority
NRECA	National Rural Electric Cooperative Association
PFG	Partnership for Growth
SBA	Small Business Administration
SEC	Securities and Exchange Commission
SME	Small- and Medium-sized Enterprise
SOW	Statement of Work
TBD	To Be Determined
ToC	Theory of Change
TWG	Technical Working Group
USAID	United States Agency for International Development
USG	United States Government
WGA	Whole-of-Government Approach

EXECUTIVE SUMMARY

This report presents the findings, conclusions, and recommendations from a final performance evaluation of the Partnership for Growth (PFG) in Ghana. The United States Government (USG) commissioned the evaluation to inform whether: (1) the PFG whole-of-government approach led to changes in the effectiveness of interagency and bilateral engagement and coordination, and (2) PFG achieved verifiable results in target goal areas, increasing the country's growth rate.

Background

PFG is a bilateral partnership that leveraged USG and Government of Ghana (GOG) resources to support a shared development program that aimed to accelerate and sustain broad-based economic growth by addressing two key binding constraints to private investment and economic growth in Ghana: (1) an unreliable and inadequate supply of electric power and (2) insufficient access to credit in the weak financial system.

PFG began full implementation in Ghana in 2013 and is expected to conclude in early 2018. It includes USG partners (USAID, the Department of State, the Millennium Challenge Corporation [MCC], and other USG institutions connected to Ghana's power and credit sectors) and GOG counterparts such as the ministries of trade and industry, finance, energy, and gas, as well as other public and private Ghanaian institutions including power companies, the stock exchange, Securities and Exchange Commission, the Public Utility Regulatory Commission, and the Bank of Ghana.

The PFG approach includes five components:

1. **Constraints analysis (CA)**: rigorous, jointly conducted analysis and identification of the principal constraints to economic growth in Ghana.
2. **Joint Country Action Plan (JCAP)**: a mutually developed agreement between the USG and GOG that includes 10 goals to alleviate the two principal constraints to growth and agreements by each government to pursue specific lines of action (LOAs) to achieve these goals.
3. **Whole-of-government approach (WGA):** joint decision-making to target resources, based on transparency and accountability among all cooperating institutions.
4. **Twice-yearly scorecards**: meetings every six months within and between the USG and GOG to assess progress on meeting the 10 goals.
5. **Nonprogram assistance:** a range of tools that do not carry program-specific funding, including resource-sharing, institutional reform, and diplomatic engagement.

Evaluation Questions

Per USAID's approved statement of work for this evaluation, this report answers the following evaluation questions (EQs):

1. What has been the overall impact[1] of PFG in Ghana, and how did the various lines of action contribute to this outcome?
2. How did the PFG approach affect the bilateral relationship — including USG and GOG program implementation and dialogue — in each partner country, both in intended and unintended ways?

1 The term "impact" is used here to refer to results that flow from specific interventions, but this is not an "impact evaluation" as USAID defines that term, which would require a counterfactual that demonstrates what would have occurred in the absence of the intervention.

3. What best practices and lessons can be learned from the PFG approach to: 1) apply to the bilateral relationship in Ghana, and 2) apply to future USG assistance efforts worldwide?

Evaluation Methodology

The evaluation team used a combination of methods including desk review and key informant interviews to answer the EQs. Field research for this evaluation looked across all 10 PFG goals, focusing on higher-level stakeholders and decision-makers from the USG and GOG. Between June and August 2017, the evaluation team conducted 42 interviews in Washington, D.C., and Ghana, and completed a desk review of more than 130 PFG-related documents and data on PFG results.

Evaluation Limitations

Attrition and staff turnover among key USG and GOG stakeholders since the start of PFG led to missing voices for the final evaluation results, particularly from GOG respondents involved in PFG's early CA and design phases. Even when stakeholders involved in these early phases were available for interviews, the time between their participation and the data collection for this evaluation may have introduced elements of recall bias into their interview responses, as memory generally becomes less reliable as time passes. Wherever possible, the evaluation team took steps to confirm or verify significant interview findings with other sources, such as PFG documents and other interviewees.

An examination of PFG results must be understood within the context of three important macroeconomic events that took place in Ghana while PFG was underway, including a severe GOG financial crisis during PFG's first year which led to some secondary crises. The financial crisis hobbled the lending power of the Bank of Ghana and other entities with close ties to the GOG, and reduced available funds for projects intended to address Ghana's pressing power generation and delivery needs. The unpredictability of the power sector had further ramifications for the wider economy, as factories and businesses were left with uneven access to power for their continued operation. Furthermore, there is no way to know whether these credit and power crises would have impelled the pursuit of goals and actions similar to those outlined in the JCAP independent of PFG. While PFG certainly lent weight and urgency to aspects of the two constraint sectors, the crises in those sectors added substantial urgency.

Findings and Conclusions

Because PFG is a broad, bilateral initiative rather than a specific, concrete program, its first-order effects are on the relationships between and within GOG and USG actors. Thus, any overall effects on economic growth in Ghana (as implied in EQ1) are outgrowths of PFG's influence on the bilateral relationship (as designated in EQ2), and therefore are best understood in that context. For that reason, this report presents findings for EQ2 before EQ1. EQ3 addresses lessons learned and best practices, and serves as the report's recommendations section.

EQ2: How did the PFG approach affect the bilateral relationship — including USG and GOG program implementation and dialogue — in Ghana, both in intended and unintended ways?

PFG's influence on the USG-GOG bilateral relationship was particularly evident in the partnership's convening power, the USG provision of research studies and policy documents for decision-making, and PFG's creative approaches to supporting select GOG institutions and projects through USAID's Financing Ghanaian Agriculture Project (FinGAP). The lack of new funding streams, however, was an obstacle to PFG's implementation and success.

Convening Power

The twice-yearly Joint Steering Committee (JSC) meetings brought together senior leaders and decision-makers from all key institutions across both constraint sectors. Two more narrowly focused technical working groups (TWGs) also met four to six times a year to jointly clarify and pursue outcomes from the JSC meetings. Convening these PFG groups created a platform for key players in power utilities and financial institutions to interact on issues of common concern, provided a venue for discussing individual and institutional assumptions about PFG's context and implementation, and enabled collaboration to quickly resolve issues.

All interviewees agreed that PFG's most successful aspect was its convening ability, enabling it to bring together GOG and USG representatives to manage the PFG process. This created credibility within the Ghanaian political system, enabled collaboration between disparate institutions, and brought together individuals with different expertise and resources. It also made the institutions take responsibility for PFG's objectives and made it easier for the institutions and their representatives to share ideas and effectively organize. Unfortunately, convening at the top did not necessarily result in greater cooperation between institutions at lower levels or greater ownership of PFG goals by mid- and lower-level GOG technical experts.

Technical Research Studies and Policy Documents

A second key element of PFG that had a clear influence on the USG-GOG bilateral relationship was the provision of technical studies and policy documents that contributed to GOG decision-making. The studies substantially contributed to important decision-making processes in both sectors and were shared more widely than they would otherwise have been thanks to their circulation in the JSC and TWGs. These documents provided a useful way of doing more with less, and the WGA convening structure made the JSC and TWGs outstanding mechanisms for ensuring that the studies were shared and used for decision-making in related institutions. However, the guidance from these studies must be partnered with reliable funding streams for execution.

FinGAP and PFG

While the Power Africa initiative and the second MCC compact contributed to the power side of PFG, the credit constraint had limited donor funding in play. FinGAP is a notable exception, as it allocated more than 20 percent of its budget to support access to credit for farmers and others in the agribusiness sector in northern Ghana. GOG and private-sector actors praised FinGAP's capacity-building services, and the project's contribution to PFG provides a useful proof of concept on how even limited funding can be aligned with a WGA to produce broad benefits. It also highlights the need for expanded training and support to bridge the gap between lenders who are unsure how to assess lending risk to small- and medium-sized enterprises (SMEs) and borrowers who are afraid to approach those lenders. While FinGAP has filled a niche in the agribusiness SME financing sector, there is still a considerable need for funding for SMEs both within and outside of the agribusiness sector.

Funding Challenges

The absence of funds for identified interventions contributed to the inability of some agencies to meet performance targets and diminished overall enthusiasm for PFG. Additionally, while limited funding was initially diverted from the Feed the Future initiative to support the PFG secretariat, by the time of the evaluation, that funding was exhausted, and this was affecting the secretariat's ability to implement its mandate.

EQ1: What has been the overall impact of PFG in Ghana, and how did the various lines of action contribute to this outcome?

As an addendum to the JCAP, PFG in Ghana developed a monitoring and evaluation (M&E) framework with quantifiable metrics for all 10 goals, including 22 indicators related to the power sector and 27 indicators related to the credit sector. Per the M&E framework, all TWGs were required to adhere to these metrics to ensure consistency and accuracy in reporting. An integral part of the M&E framework was the semiannual scorecards, which reported progress toward macro-, goal-, and LOA-level indicators. Table 1 summarizes PFG's status against each of these goals.

TABLE 1: CONSTRAINTS, GOALS, AND STATUS OF PFG IN GHANA AS OF JULY 2017

Constraint	Goal	Status in July 2017
1: Unreliable and inadequate supply of electric power	1: Develop energy sector plans, policies, and strategies to improve private power sector investment and a transparent framework for natural gas resources	Ahead of schedule
	2: Strengthen institutional, regulatory, and structural reform to enhance the financial viability, operational efficiency, and sustainability of power sector utilities	On track
	3: Improve energy security and growth through supply expansion and diversification	Ahead of schedule
	4: Improve utilities' performance and infrastructure, reliability of supply, and ability to support demand growth	Behind schedule
	5: Improve rural access to power and effective management thereof	Ahead of schedule
2: Lack of access to credit	1: Reduce government engagement in the banking sector	On track
	2: Strengthen financial sector regulation and supervision within the financial sector	On track
	3: Develop the financial sector infrastructure	On track
	4: Broaden and deepen the financial sector	On track
	5: Encourage development finance and support SME access to finance	Behind schedule

Impact of PFG: The Establishment of Common Metrics

PFG facilitated a shared set of metrics, where previously each institution had its own approaches to measurement. Senior GOG officials in the power and credit sectors indicated that increased data sharing positively influenced attitudes toward data collection. Although new standards and expectations for in-house data collection presented resource challenges for some institutions, M&E capacity building was seen as successful for reporting and understanding key performance indicators.

However, a review of the scorecards showed several anomalies with respect to clear definitions for indicators. Some power and credit indicators lacked baselines, while others were missing targets. There were also no consistent definitions for SMEs and micro-, small-, and medium-sized enterprises, which was critical as it affected several other scorecard indicators and influenced GOG economic policies.

Recommendations and Lessons Learned

EQ3: What best practices and lessons can be learned from the PFG approach to: 1) apply to the bilateral relationship in Ghana, and 2) apply to future USG assistance efforts worldwide?

PFG Successes

- **Convening:** All interviewees cited PFG's success in bringing all relevant stakeholders together to identify key constraints, develop the JCAP and LOAs, and implement activities.
- **Coordination:** The PFG secretariat has been a central coordinating unit to arrange and share information about meetings, collect information on activities, and serve as the liaison between the JSC and the TWGs.
- **Data collection and sharing:** The M&E system and improved practices around data collection and sharing have enabled greater data-driven decision-making.
- **FinGAP as an assistance model:** The involvement of FinGAP as a support resource enhanced the ability of the credit sector to achieve notable successes.
- **Project awareness:** Stakeholders' broad awareness of PFG activities being conducted outside of their individual sectors suggested that the JSC and the TWGs can serve as useful venues for raising awareness of pilot projects and proofs of concept across organizations.

PFG Shortfalls and Missed Opportunities

- **Limited financial support and training:** Funding and training limitations negatively affected the ability of PFG and the TWGs to apply themselves fully to the M&E activities, particularly in the credit sector. The lack of funding also diminished enthusiasm, support, and buy-in over the life of PFG.
- **Weak private sector participation:** Other than private sector power suppliers, there was no formal strategy to bring in private sector actors and civil society organizations to broaden buy-in of the PFG agenda.
- **No consistent definition for SMEs:** It would have been helpful if the USG and GOG had defined SMEs in the Ghanaian context at the outset of PFG.
- **Gender issues:** PFG did not explicitly incorporate gender issues or include a mechanism for integrating such issues into its reporting chain, resulting in a lack of information on PFG's effects on women and girls.

Recommendations for PFG in Ghana

With at least six months remaining in PFG, the evaluation recommends that the partnership take three important steps before its conclusion:

- Establish a clear exit strategy and sustainability plan;
- Preserve and more fully institutionalize indicator collecting and reporting practices; and
- Hold a final convening of all USG and GOG personnel actively participating in PFG to enable a final sharing of ideas and experiences and ensure that lessons learned from PFG are not lost.

There is broad interest among GOG participants in keeping the PFG convening platform intact in some form, and elements of PFG are already being carried forward by the incoming presidential administration. To facilitate further application of PFG, the evaluation presents the following recommendations for PFG to both the USG and GOG:

- Extend additional funding to the PFG secretariat to enable continued coordination.
- Consider involving other funding agencies (e.g., the World Bank, African Development Bank) to expand funding to address the two constraints and goals.
- Expand the mandate of Monitoring and Evaluation Technical Support Services (METSS) to include the provision of M&E services to the credit and power sectors.
- Clarify overlapping mandates between the heads of relevant ministries and institutions to avoid duplication of efforts, particularly related to SMEs.

In line with the final recommendation listed above, the evaluation team identified a need to assign responsibility for the implementation of JSC recommendations. Ministerial responsibilities related to the JSC must be made explicit, and should not be delegable to subordinates, as this undercuts the credibility and accountability of the JSC.

Adapting or Applying PFG to Other Countries

The final evaluation of PFG in the Philippines will further examine the broader application of the PFG approach. The evaluation team anticipates that a review of the successes and challenges encountered in these three countries will shed light on what elements of PFG are best suited for adaptation and application in other locations.

INTRODUCTION

This report presents the findings, conclusions, and recommendations from a final performance evaluation of the Partnership for Growth (PFG) in Ghana. The United States Government (USG) commissioned the United States Agency for International Development's (USAID's) E3 Analytics and Evaluation Project[2] to design and implement the evaluation. The evaluation is intended to inform whether: (1) the PFG whole-of-government approach (WGA) led to changes in the effectiveness of interagency and bilateral engagement and coordination, and (2) PFG achieved verifiable results in target goal areas, increasing the country's growth rate. Annex I provides USAID's statement of work (SOW) for the evaluation.

The first section of this report provides background information about PFG in general and in Ghana. The second section describes the purpose of the evaluation, reviews its intended audiences and uses, and presents the evaluation questions. The third section explains the methodology of this evaluation and its limitations. The last section presents findings, conclusions, and recommendations for the three evaluation questions (EQs). The discussion of EQ2 precedes that of EQ1, since the former describes the PFG approach and actions undertaken under the partnership that provide important context for the EQ1 discussion around the overall results of PFG. EQ3 addresses lessons learned and best practices, and serves as the report's recommendations section.

BACKGROUND ON PFG IN GHANA

PFG was developed by a coalition of USAID, Millennium Challenge Corporation (MCC) and State Department thought-leaders to leverage USG resources in support of a shared development program delivering accelerated, sustained, and broad-based economic growth in key partner countries. This process relied on high-level, mutual accountability for implementation. Four countries — El Salvador, Ghana, the Philippines, and Tanzania — agreed to become the first set of PFG partners. Eligibility for PFG was based on each country's performance on MCC selection criteria, a track record of partnering with the U.S., policy performance, and potential for continued economic growth. For each participating country, jointly conducted, rigorous analysis identified primary constraints to economic growth, and mutually agreed-upon goals and lines of action (LOAs) were drawn up bilaterally to address these constraints.

PFG embodied the principles set out in the September 2010 Presidential Policy Directive on Global Development, and was based on a shared commitment to implementing the key institutional and regulatory reforms required for unleashing private investment. One of PFG's signature objectives was to engage governments, the private sector, and civil society with a broad range of tools to unlock new sources of investment, including domestic resources and foreign direct investment. By improving coordination, leveraging private investment, and focusing political commitment throughout both governments, PFG aimed to enable its partners to achieve better development results.

In February 2011, the USG and the Government of Ghana (GOG) committed to work together through PFG to accelerate and sustain broad-based and inclusive growth in Ghana. This included a commitment to jointly prepare a constraints analysis (CA), which was finalized in August 2011. The CA identified two key binding constraints to private investment and economic growth in Ghana: (1) an unreliable and

2 Management Systems International (MSI) implements the E3 Analytics and Evaluation Project in partnership with Development and Training Services (dTS, a Palladium company) and NORC at the University of Chicago. Since dTS is now part of Palladium, which was involved in the implementation of some PFG activities, it has recused itself from activities under these PFG final evaluations.

inadequate supply of electric power and (2) insufficient access to credit in the weak financial system. Based on this, the USG and GOG developed a five-year Joint Country Action Plan (JCAP), which was formally agreed to in March 2013.

As outlined in the JCAP, PFG employed a WGA that included institutions from both the USG and the GOG. The USG actors were primarily affiliated with USAID, the Department of State (DOS), and the MCC, with contributions from the Department of Commerce, the Department of Energy, the Export-Import Bank, the Overseas Private Investment Corporation, the U.S. Securities and Exchange Commission (USSEC), the Small Business Administration (SBA), and the U.S. Trade and Development Agency. Ghanaian actors included the Ministry of Trade and Industry (MOTI), Ministry of Business Development (MOBD), Ministry of Finance and Economic Planning (MOFEP), Ministry of Energy, Ministry of Gas, and other public and private Ghanaian institutions from the power and credit sectors including the SEC, the Public Utility Regulatory Commission, Bank of Ghana (BoG), and several power companies.

The PFG approach included five components:

1. **Constraints analysis:** The CA involved rigorous, evidence-based joint identification and analysis of the principal constraints to economic growth in Ghana. An integrated Ghana-U.S. team conducted the CA, which was followed by broad consultation and dialogue on findings.
2. **Joint Country Action Plan:** The JCAP documented the bilateral agreement between the USG and GOG on 10 goals to address the 2 principal constraints to growth. The plan included agreements by each government to pursue specific LOAs to achieve these goals over the five-year life of PFG. Annex VI lists the constraints, goals, and LOAs for PFG in Ghana.
3. **Whole-of-government approach:** The WGA included joint decision-making on where to focus and prioritize resources, the establishment of constraint-specific technical committees[3] with relevant representatives from both governments and all related agencies, and transparency and mutual accountability between all cooperating institutions.
4. **Twice-yearly scorecards:** At six-month intervals, the participating USG and GOG agencies met internally and across governments to assess progress on the goals outlined in the JCAP and set mutually agreed targets for the subsequent six-month period.
5. **Nonprogram assistance:** Rather than new funding streams, PFG relied on diversion of existing funds in conjunction with a range of tools, including catalytic policy change, interorganizational resource sharing, institutional reform, diplomatic engagement, and other nonprogram assistance policy tools.

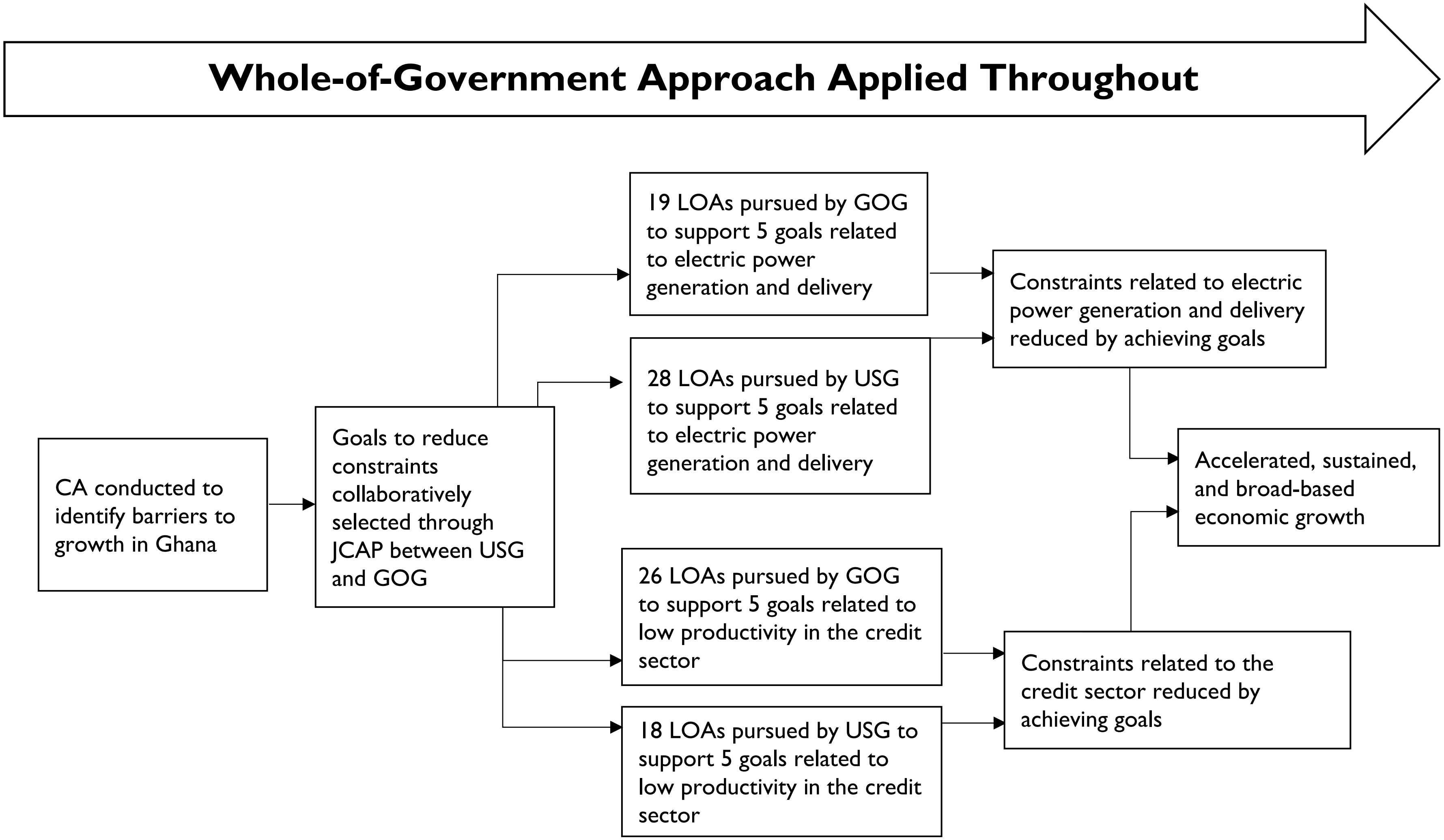
PFG in Ghana pursued 10 goals to alleviate the 2 binding constraints to economic growth, shown in Table 2. Figure 1 below provides a theory of change diagram for PFG in Ghana, which illustrates the processes and activities that made up the PFG approach, and how each goal was expected to alleviate the constraint under which it was categorized.

3 The WGA for PFG in Ghana used broader, constraint-specific technical committees, in contrast to PFG in El Salvador, which used goal-specific committees.

TABLE 2: CONSTRAINTS AND GOALS OF PFG IN GHANA

Constraint	Goal
1: Unreliable and inadequate supply of electric power	1: Policy, strategy, and planning – Develop energy sector plans, policies, and strategies to improve private investment in the power sector and develop a transparent framework for natural gas resources
	2: Institutional, regulatory, and structural reform – Strengthen institutional, regulatory, and structural reform to enhance the financial viability, operational efficiency, and sustainability of power sector utilities
	3: Electricity demand and generation capacity – Improve energy security and growth through expansion and diversification of supply to include gas and renewable energy
	4: Transmission and distribution infrastructure and operations – Improve utilities' performance and infrastructure, reliability of supply, and ability to support demand growth
	5: Rural access – Improve rural access to power and effective management thereof
2: Lack of access to credit	1: Reduce government engagement in the banking sector
	2: Strengthen financial sector regulation and supervision within financial sector
	3: Develop the financial sector infrastructure
	4: Broaden and deepen the financial sector
	5: Encourage development finance and support small- and medium-sized enterprise (SME) access to finance

FIGURE 1: THEORY OF CHANGE FOR THE PARTNERSHIP FOR GROWTH IN GHANA



EVALUATION PURPOSE

Evaluation Purpose, Audiences, and Intended Uses

With the PFG performance period coming to an end, the USG commissioned final performance evaluations of PFG in El Salvador, Ghana, and the Philippines to ensure that lessons learned from PFG implementation can be used in future development efforts. Through this evaluation, the USG seeks to learn whether the economies and sectors that PFG targeted demonstrated improvements over pre-PFG engagement and assistance approaches. The evaluation examines:

- The extent to which the WGA, the CA, and the JCAP led to changes in the effectiveness of interagency and bilateral engagement and coordination; and
- Whether changes to interagency and bilateral engagement and coordination ultimately achieved verifiable results in the targeted goal areas, which would lead to higher growth rates.

The PFG evaluations satisfy USG accountability requirements by producing findings and conclusions about the effectiveness of PFG programming in meeting intended country-specific goals.

This evaluation informs development activities in Ghana and analyzes which components of PFG can be adapted and applied to other USG foreign assistance contexts. The audiences for the evaluation include decision-makers at USAID and its country Missions, DOS, MCC, and other USG agencies; relevant ministries and officials in each PFG country; other donors; civil society organizations; academia; and potential funding partners in the private and philanthropic sectors.

Evaluation Questions

Per USAID's approved SOW (see Annex I), this report answers the following EQs:

1) What has been the overall impact[4] of PFG in Ghana, and how did the various lines of action contribute to this outcome?
2) How did the PFG approach affect the bilateral relationship — including USG and GOG program implementation and dialogue — in each partner country, both in intended and unintended ways?
3) What best practices and lessons can be learned from the PFG approach to: 1) apply to the bilateral relationship in Ghana, and 2) apply to future USG assistance efforts worldwide?

In the fall of 2015, International Development Group (IDG) conducted a midterm evaluation of PFG in Ghana[5] that addressed the following questions:

- For each of the constraints, are the goal-level commitments set forth in the JCAP capable of achieving the constraint-level objectives and outcomes?
- Is quantitative and objectively verifiable information being used to manage JCAP implementation in order to achieve and measure results?
- At the midterm, are the performances of the selected PFG interventions on target and creating the necessary outputs to achieve the desired outcomes?

4 The term "impact" is used here to refer to results that flow from specific interventions, but this is not an "impact evaluation" as USAID defines that term, which would require a counterfactual that demonstrates what would have occurred in the absence of the intervention.
5 The full midterm evaluation can be found at: http://pdf.usaid.gov/pdf_docs/PA00KZVC.pdf.

Although the issues under review in this evaluation are distinct and separate, the midterm evaluation provided background information on PFG and informed the final evaluation design. In particular, the data collection process and certain aspects of the methodology were influenced by a review of the midterm evaluation design and conversations with key individuals involved in the midterm evaluation.

EVALUATION DESIGN

Evaluation Methodology

The evaluation team used a combination of methods including desk review and key informant interviews (KIIs) to answer the EQs. Annex II summarizes the data sources, data collection and analysis methods, and sampling approach that the evaluation team employed for each EQ.

The field research looked broadly across all 10 PFG goals in Ghana instead of selecting a smaller subset of goals for deeper exploration (as the midterm evaluation did). Although time considerations for data collection were a factor in this decision, the primary reason for a focus on breadth rather than depth was the need to understand PFG as an overall process. The field research thus focused more on higher-level PFG leadership, interviewing goal-level actors and key informants in the USG and GOG. Where possible, the evaluation team also pursued supplementary interviews with stakeholders involved in specific activities and LOAs, either to fill information gaps or if other interviewees cited their perspectives as particularly essential or insightful.

Data Collection Methods

Between June and August 2017, the evaluation team conducted 42 KIIs in Washington, D.C., and Ghana,[6] and a desk review of more than 130 PFG-related documents and qualitative and quantitative data on PFG results. The team selected interviewees based on their knowledge and experience, and included PFG architects from USAID, MCC, and DOS; high-level decision-makers from USAID/Ghana; implementing partners and technical specialists working on PFG goals (including staff from USAID, MCC, and DOS); GOG partners from the PFG secretariat (housed in MOFEP),[7] the PFG joint steering committee (JSC), and PFG's two technical working groups (TWGs); and additional key informants from GOG ministries and Ghanaian banks, power companies, and regulatory institutions. The desk review examined all available scorecards and reporting documents from PFG-related projects and activities.[8] Annex III lists the documents and data that the evaluation team reviewed, and Annex IV provides the KII guides. Table 3 summarizes the data collection methods.

6 Approximately 45 individuals participated in the KIIs, as several involved more than one interviewee.

7 The secretariat, the JSC, and the two TWGs were PFG's principal convening bodies. More information on their composition and mandates can be found in the discussion for EQ2.

8 These reporting documents included work plans and reporting documents posted on USG websites, quarterly and annual reports provided by goal committee members, and midterm evaluation data and documents provided by IDG.

TABLE 3: DATA COLLECTION METHODS BY EVALUATION QUESTION

Evaluation Question	Focus	Data Collection Methods
EQ1 (overall impact)	Constraints and goals	• Desk review of PFG data and reporting documents • Analysis of PFG results indicator and performance data • KIIs with selected implementers and stakeholders
EQ2 (effect of PFG approach on bilateral relationship)	PFG management & design (approach)	• KIIs with USG and GOG staff involved in cross-PFG management and coordination to capture perceptions about the PFG approach and what changes it caused • KIIs with selected implementers and stakeholders
EQ3 (best practices and lessons)	Reflective of the entire PFG in Ghana	• Synthesis of results from EQs 1 and 2 to assess areas for improvement and PFG components with positive participant/stakeholder experiences • KIIs with selected designers, implementers, and stakeholders

Data Analysis Methods

The evaluation team obtained data from more than one source when possible, to compare evidence from interviews and PFG documents and reporting data, noting divergence and convergence in findings to inform conclusions and verify issues of importance for the EQs. Agreement in the responses of different types of respondents tended to suggest that the underlying data were accurate, while differences indicated inaccuracies or the possibility that an activity had different impacts on the different types of respondents questioned.

The evaluation team used content analysis to identify themes and trends relevant to each EQ and to better understand the meaning and context of each statement captured. The team used MaxQDA, a qualitative data analysis software package, and extensively reviewed project data, interview notes, and other relevant documents for a variety of themes, topics, and ideas. To these themes, topics, and ideas, the team then assigned descriptive "codes" that could be extracted and sorted based on contextual factors like "information source," "informant institution," or "relevant goal." This gave the team the capability to sort easily through large amounts of project data. The team used this method primarily because multiple factors often contributed to an explanation or description of a phenomenon. Content analysis can only provide insight on available text, so the evaluation team verified or clarified findings derived using this approach through KIIs and the desk review.

Gender

Per the requirements in USAID Automated Directives System 203 (at the time the evaluation SOW was issued) and 200 (which took effect during implementation of this evaluation), USAID evaluations should adequately address gender considerations. At the evaluation design stage, the evaluation team was interested in the role of gender in the JCAPs and LOAs, how the PFG approach accounted for gender in broad-based economic growth, and how PFG processes accounted for gender-differential access to the levers of economic progress. The team also expected to disaggregate the data that it collected and analyzed for this evaluation by sex and age, as appropriate.

Although the disaggregation of data collected for the evaluation was a straightforward task, assessing gender-differentiated impacts proved challenging, and the evaluation team was unable to ascertain what impact, if any, PFG had in that area. Neither the CA nor the goals laid out in the JCAP identified or targeted any explicit agenda regarding gender or women's issues. Although PFG projects and activities had gender-specific targets, PFG documents and conversations with key informants showed no indication that any aspect of that gender focus was directly or indirectly shaped by PFG.

Evaluating the WGA and Nonprogram Assistance Aspects of PFG

PFG presents unique evaluation challenges that shaped the research methodology and the final form of this report. The WGA and nonprogram assistance aspects of PFG are particularly challenging from an evaluation design perspective. WGAs are not commonly used globally or in the U.S., and performance evaluations of initiatives and projects based on a WGA are even less common. The evaluation team was thus largely unable to draw from established evaluation practice or precedent. The midterm PFG evaluations faced similar challenges, and USG stakeholders asked the evaluation team for the final PFG evaluations to develop an alternate approach to evaluating PFG, rather than simply duplicating or expanding on the midterm evaluation methodology.

The evaluation methodology was intended to be a conventional mixed-methods approach that would combine qualitative and quantitative data from a desk review, a survey, and KIIs. However, during the data collection planning process it became clear that the quantitative component was less viable than expected due to problems with informant access and timeline. The evaluation team consulted with the designers and implementers of the IDG-led midterm evaluation of PFG. The IDG team members stated that their midterm evaluation survey did not provide enough useful data to justify its level of effort, and discouraged MSI from repeating that error. Reporting on nonprogram assistance also varied from activity to activity. Projects that nonprogram assistance affected sometimes documented it in project reports and other written materials, but they did not integrate it into their formal reporting. In several cases, information on the PFG actions that influenced the outcomes of individual projects was only available directly from participants through interviews and other communications.

The evaluation of PFG in Ghana was also built on methodological design modifications influenced by lessons learned during the final evaluation of PFG in El Salvador. When conducting the evaluation in Ghana, however, it became clear that the WGA for PFG in El Salvador was far more comprehensive, while the WGA for PFG in Ghana was much more sector-specific. In El Salvador, PFG took a comprehensive, unitary approach wherein almost every single USG agency and institution working in El Salvador was connected to at least 1 of the 20 goals spread across the 2 constraint areas. The diversity and scale of USG programmatic activity in Ghana is far greater than in El Salvador, and several of the largest areas of USG engagement lay entirely outside of PFG (particularly in education and public health).

Although the power and credit sectors lend themselves to concrete and quantitative measurement, the principal effects of a WGA and the related nonprogram assistance are administrative and policy shifts, the full effects of which were not yet clearly felt in the broader economy at the time of the final evaluation. This report includes data on the status of the power and credit sectors as supplementary insight and contextual background (see Annex V), but the evaluation approach was primarily reliant on qualitative data. Having interviewed over 40 key informants for this evaluation, the team is confident that the data collected is sufficient to answer the EQs to the extent that they are answerable at this stage of PFG. Given the substantial variation in how PFG was implemented in the partner countries, at the time of this evaluation the team had not yet determined whether its evaluation of PFG in the Philippines would be primarily qualitative, though that seemed the likeliest approach.

Team Composition

The evaluation team for PFG in Ghana consisted of two senior researchers, an evaluation specialist, and local researchers who also provided note-taking and logistical assistance.

- **Team Lead/Credit Sector Specialist** – Mark Ampah
- **Power Sector Specialist** – Ishmael Edjekumhene
- **Evaluation Specialist and Coordinator** – Isaac Morrison

- **Local Researcher and Logistician** – Macdonald Acquah
- **Research Associate** – Ann MacFadyen

The E3 Analytics and Evaluation Project home office also provided support to the evaluation team, including quality assurance, data analysis, administrative oversight, and logistics. Evaluation team members completed and signed forms disclosing any potential conflicts of interest; the MSI home office retained these forms and will make them available upon request.

Evaluation Limitations

Data Collection Timing

This evaluation faced some challenges due to attrition and staff turnover among key stakeholders on both the USG and GOG sides since the start of PFG. Some individuals who were active in earlier stages of PFG had migrated to other positions or institutions by the time this evaluation began its data collection, either due to the passage of time or because of the December 2016 election in Ghana, which resulted in the replacement of several ministerial appointees from the previous ruling party. This attrition likely led to missing voices for the final evaluation results, particularly from among GOG respondents who had been involved in the early CA and design phases of PFG.

This is a common challenge for large-scale evaluations of activities that are spread across several years. The evaluation team had some success in locating several key individuals, but in many cases those individuals were unavailable or unresponsive within the evaluation time frame. The evaluation team is confident that this had minimal effect on the evaluation results, in large part due to the support and assistance of the PFG secretariat and USAID/Ghana, both of which provided regular feedback throughout the data collection process.

Recall Bias

Even when participants from the early days of PFG were available, the elapsed time between their participation and the data collection for this evaluation may have introduced elements of recall bias into their interview responses, as strict reliance on memory generally becomes less reliable as time passes. Wherever possible, the evaluation team took additional measures to confirm or verify significant interview findings with other sources, such as PFG documents and other interviewees who had overlapping knowledge in those areas.

Absent Theory of Change

An additional challenge for the evaluation was that no formal or explicit theory of change (ToC) was developed for PFG on either a conceptual or country-specific level. It was not clear why PFG's architects did not incorporate the development of a ToC into PFG, but this was problematic because ToCs are a fundamental component of conventional evaluation practice. In drafting the evaluation design, the evaluation team developed a ToC to capture PFG's prevailing philosophy and objectives at a high level. The evaluation team intended for this ToC to be applicable to all three countries covered in this set of evaluations. USAID reviewers accepted the ToC in the initial evaluation SOW. However, given that this ToC was prepared toward the end of PFG's life cycle, its utility to the evaluation was strictly illustrative; the evaluation could not use it to assess progress.

No Baseline for Bilateral Relationships

EQ2 is concerned with how the PFG approach affected the bilateral relationship between the USG and GOG. However, there was no established baseline for the state of the bilateral relationship prior to

PFG. Although some of the questions on the midterm evaluation survey were relevant to the topic, that survey was developed for different EQs. Any findings related to how PFG affected the bilateral relationship were thus entirely dependent on discussions with stakeholders, which were limited by the perception and memory of the informant. Fortunately, prevailing opinions were largely consistent, which suggested that this information could be regarded as credible, but the lack of a baseline still limited the range of what the evaluation could state with confidence in regard to a changing bilateral relationship. In the future, expectations of this type could be resolved through the incorporation of baseline data collection (e.g., perception or opinion surveys) to establish a more empirical metric for bilateral relationships.

EVALUATION QUESTION 2

How did the PFG approach affect the bilateral relationship — including USG and GOG program implementation and dialogue — in Ghana, both in intended and unintended ways?

All five components of the PFG approach (the CA, JCAP, WGA, twice-yearly scorecards, and nonprogram assistance) have influenced the bilateral relationship between the USG and the GOG. This was most evident in three elements of PFG:

- PFG's unitary convening power as a manifestation of the WGA;
- USG support for GOG decision-making and problem solving through the provision of needed research studies and policy documents; and
- Alternate USG approaches to supporting and building the capacity of GOG institutions and projects without the creation of new funding streams.

Convening Power

All interviewees agreed that PFG's most successful aspect was its convening power, i.e., its authority to bring together different senior stakeholders and decision-makers, organize them, coordinate and delegate their respective responsibilities, and provide a venue to identify and discuss the challenges confronting their sectors and agree on strategies and actions to address those challenges. Both USG and GOG actors were skeptical that a comparable level of cooperative assembly could have taken place in the absence of such a high-level mandate. From the distillation of issues and actions into the JCAP through the implementation of LOAs, PFG proactively engaged the full gamut of Ghana power and credit sector entities. This convening of power and credit sector entities was critical in getting GOG and USG representatives into one group to manage the PFG process, by:

- Fostering collaboration between disparate institutions and their representatives;
- Bringing together people with different expertise and resources;
- Making representatives of the different institutions take responsibility for PFG's objectives;
- Building additional convening power for the whole group, rather than just the USG, as the team was co-chaired by representatives from both the USG and GOG; and
- Making it easier for the institutions and their representatives to communicate with each other, share ideas, and organize effectively.

Through the coordination of the PFG secretariat, the twice-yearly JSC meetings brought together leaders from all key institutions across both constraint sectors, including the vice president of Ghana, ministers from all GOG ministries participating in PFG, their Ghana-based USG counterparts, the U.S. ambassador to Ghana, and other senior leaders and decision-makers. Supporting this, two narrowly focused TWGs met four to six times a year to clarify and pursue outcomes from the JSC meetings. These PFG groups created a platform for key players in power utilities and financial institutions to interact on issues of common concern, provided a venue to discuss individual and institutional assumptions about the PFG context and implementation, and enabled collaboration and problem-solving to quickly resolve issues.

Three GOG respondents pointed out that, given the demands of their offices, it was unprecedented to get several ministers around a table in one room at the same time for a single event, much less to do so at six-month intervals for multiple years in a row. One interviewee cited the process as particularly effective because having individuals from the highest levels of ministerial decision-making together in one place meant that there was no opportunity for people to plead ignorance regarding pressing issues and pieces of information. Even more importantly, respondents saw the JSC as a powerful tool for shortening decision-making processes. As one senior MOFEP official enthused, “For once you have all of the relevant key decision-makers in one place critiquing a specific plan — it was amazing! Wonderful.”

Unfortunately, convening at the top did not necessarily result in greater cooperation or de-siloing across or between institutions at lower levels, and JSC and TWG decisions did not always lead to ownership of PFG goals by mid- and lower-level GOG technical experts. Interviewees consistently recognized this shortcoming, but struggled with clear solutions to resolve it.

Attendance and Attrition

Although interviewees clearly recognized PFG’s success as a convening instrument, and broadly acknowledged that the JSC and TWGs represented substantially improved cooperation and coordination within the two constraint sectors, they noted that the engagement and effectiveness of the JSC waned over time. Continued buy-in was strongest among GOG stakeholders who were involved early in the JCAP process. Interviewees from GOG and USG institutions highlighted the importance of this buy-in and leadership, noting that PFG lost momentum when this engagement decreased. One factor contributing to this loss of momentum was the steady turnover of USG and GOG staff, and the attendant loss of institutional memory that happens naturally over time. Interviewees who had moved into their roles after PFG was established admitted to having a less concrete understanding of the partnership’s utility, and less enthusiasm for it initially. However, over time their opinions of PFG improved as they began to recognize its value as a mechanism for facilitating high-level discussion of priority issues as a group.

Power Sector Convening

Prior to PFG, it was nearly impossible to get all power sector actors to meet regularly to discuss and find solutions to salient issues affecting the sector, since the agencies tended to work independently from each other, even when working on similar or overlapping issues. PFG helped to increase levels of interaction between institutional leadership, which led to the gathering and sharing of vital data that helped improve planning within the sector.

It was clear from the interviews and the desk review that the power sector saw more extensive PFG action and implementation on both USG and GOG sides than the credit sector. Sources attributed this in part to the second MCC compact (discussed in greater detail later in this section), which exclusively focused on the power sector. This ensured that, despite the nonprogram assistance aspect of PFG, there was still a substantial stream of funding for issues that needed to be addressed. It is possible that, even in the absence of PFG, the MCC compact could have acted as a convening mechanism for leadership from Ghana’s major power-related ministries, regulatory agencies, and utility companies. However, the MCC mandate is much narrower than the overall PFG power sector mandate, and its convening power would likely have been similarly narrow.

The evaluation also found that some of PFG's convening power in the power sector was due to its implementation coinciding with perhaps Ghana's most crippling power crisis ever. The urgent search for lasting solutions to the power crisis provided an additional impetus for stakeholders — who would otherwise have preferred operating on their own — to work together.

PFG created a platform to bring together the main power utilities such as the Volta River Authority, the Electric Company of Ghana (ECG), Bui Power Authority, the Ghana Grid Company (GRIDCo), and the Northern Electricity Distribution Company (NEDCo); regulatory agencies such the Public Utility Regulatory Commission and the Energy Commission; and representatives of the petroleum and gas sectors collectively to diagnose and devise strategies to address bottlenecks facing the sector. Respondents saw this in the active participation of the USG, GOG, and private energy sector players who were at the table for the development of the JCAP and the establishment and continuation of the two TWGs.

Credit Sector Convening

Most credit sector respondents agreed that PFG's convening power was successful because of the leadership and buy-in from high-level participants such as the U.S. ambassador to Ghana, the USAID Mission director, and the vice president of Ghana, all of whom initially played an active role in PFG. Participation from leaders at this level enabled PFG to bring together other high-level participants from USG agencies including the Department of the Treasury, SBA, USSEC, and Department of Commerce, as well as GOG entities including MOFEP, MOTI, SEC, the Ghana Stock Exchange (GSE), BoG, Association of Ghana Industries, and Apex Bank for Rural Banks.

Aligning the goals and activities of these institutions was substantially more difficult than in the power sector. The participating institutions included lenders, regulators, guarantors, trade organizations, investment brokerage offices, credit agencies, and other actors from the financial sector, requiring PFG to balance and resolve a much more diverse and often competing set of agendas and priorities. These competing priorities are evident in the diversity of the five goals under the credit constraint (see Table 2). PFG's credit sector convening — and its subsequent alignment of credit sector objectives, though still underway at the time of this evaluation — represented an even more impressive accomplishment since there was no large funding stream equivalent to the one that MCC provided for the power sector.

Conclusions

PFG's convening power resulted in participants' working together to identify key constraints to growth and development in Ghana and using their individual and institutional expertise and influence to find solutions through rigorous debate and analysis. This began with the JCAP drafting process and continued through the TWGs. GOG respondents who participated in the process consistently stated that they were equal partners, a departure from past experiences with other forms of assistance and policy implementation in which donor agencies and ministry-level dictates largely determined what should be done and how it should be done. The evaluation team heard this in conversations with actors in the rural financial industry, who were quite happy with their new role as a more fully engaged partner in the TWG. One GOG respondent pointed out that the discussions in the access-to-credit TWG committee meetings provided previously missing insight about the rural financial industry and its susceptibility to unique credit access limitations. Interviewees from ARB Apex Bank, a rural and community bank, emphasized that the same process afforded them the opportunity to inform their sectoral partners and colleagues directly about the ongoing state of their industry and provide input on how to strengthen access to credit in their sector and for the general economy.

PFG also supported greater coordination and collaboration between USG and GOG entities, as well as within GOG agencies, with actors across all sectors crediting PFG with strengthening both intergovernmental and intragovernmental relationships through increased communication and interaction. The presence of the appropriate USG agencies allowed GOG representatives to discuss issues facing their respective institutions with their U.S. counterparts on a more personal level, making communication easier. Moreover, GOG informants credited PFG with enabling easier intragovernmental interactions, particularly related to data-sharing between agencies.

Respondents across almost all GOG institutions indicated that the success of PFG's WGA as a convening mechanism led them to consider variations on this convening process when tackling other challenging national issues with complex, overlapping stakeholder priorities, such as land tenure and difficulties with artisanal or illegal small-scale mining. However, the extent to which the new administration would actively pursue the use of the WGA in these areas remained unclear at the time of the evaluation.

Virtually all interviewees described the PFG approach as a smart practice that should continue even after the partnership concludes. However, a few expressed doubts about its sustainability in a post-PFG era. They questioned whether any single entity (e.g., GRIDCo, currently the JSC chair) would have the authority to rally other institutions in the absence of a PFG-type framework with strict reporting requirements.

Despite the consistently favorable views of the PFG approach, the evaluation team concluded that efforts to maintain it would be challenging. Interviewees with longer periods of involvement with the initiative indicated that, especially for the credit constraint, the level of enthusiasm began to wane after initial strong interest, when participants realized that there would be no direct funding for activities identified under that constraint. Others intimated that their participation waned as the payment of allowances was not sufficient to compensate them for the time and effort they expended to attend meetings.

While PFG's convening power contributed to greater coordination and improved decision-making at the higher-level JSC meetings, a limited number of interviewees from both the USG and GOG expressed concern that information tended not to flow consistently from the top to the middle and lower levels of participating agencies, especially under the credit constraint. This adversely affected knowledge sharing between technical specialists in parallel participating organizations and may have resulted in independent rather than cooperative pursuit of the decisions and recommendations made at the JSC level. The evaluation was not able to identify any publication or similar effort to inform stakeholders about PFG progress by the secretariat or any GOG entities, apart from the scorecards and minutes of the JSC meetings, which had limited circulation.

PFG, Power Africa, and MCC Compact II

The Ghana JCAP described PFG as "an unprecedented interagency collaboration guided by a focused strategy to maximize the impact of USG's development assistance in the face of limited resources." Almost a dozen USG agencies and partners played a role in the implementation of the JCAP.

MCC featured prominently among USG agencies in Ghana. Around the same time that Ghana was selected as a PFG country, it was declared eligible to develop the second MCC compact (Compact II), which tackled the power constraint. From February to August 2011, a joint USG-GOG technical team carried out the Ghana Growth Diagnostics Study, a CA that underpinned PFG and Compact II. The CA identified insufficient and unreliable power, a lack of access to credit, and insecure land use rights as the three key binding constraints to private sector investment and economic growth in Ghana. The GOG agreed to focus on the power and credit constraints and selected the power sector as the area of focus for Compact II.

Ghana was also one of the first six countries selected to participate in the Power Africa initiative. The 12-member, multiagency Power Africa Working Group, which was co-chaired by the coordinator of Power Africa within USAID, supervised the implementation of Power Africa. Except for the U.S. Department of Agriculture, the Office of Management and Budget, and the U.S. Army Corps of Engineers, all members of the Power Africa Working Group played (or expected to play) roles in PFG, with the MCC again expected to play a pivotal role in the realization of Power Africa goals. In 2014, the MCC and the GOG signed the $498 million Ghana Power Compact — the largest USG transaction under Power Africa to date — to help create a financially viable power sector that would meet the current and future needs of businesses and households.

Thus, the broadly overlapping nature of the activities introduced in the power sector made it difficult to attribute them directly or exclusively to PFG. Further complicating the attribution of results to PFG, GOG interviewees, even at the highest levels, were in general unable to articulate clearly where the influence of one entity or initiative ended and another began.

Provision of Technical Studies and Policy Documents

A second element of PFG that assisted with the USG-GOG bilateral relationship was the USG provision of technical studies and policy documents. Respondents cited these PFG-supported studies as contributing to GOG decision-making, particularly in setting policy. These studies, happening as they did within the context of the nonprogram assistance framework that precluded new funding streams, received their funding under other USG activities pursuing PFG-aligned objectives. While the USG's generation of studies and policy documents may initially seem unimpressive, GOG interviewees in both the power and credit sectors reported that the studies substantially informed important decision-making processes. Additionally, thanks to the convening of the JSC and TWGs, the studies were shared more widely than activity-specific reports otherwise would have been.

For example, on the credit side, actors from both the BoG and the Finance Ministry cited a study undertaken by the Center for Economic Policy Analysis (CEPA).[9] This study helped to underscore and explain the need to reduce government control of the credit sector in Ghana, thus releasing much-needed liquidity for lending to the private sector instead of to the government. Similarly, on the energy side, both the ECG and NEDCo cited a Power Distribution Feasibility study,[10] which highlighted specific

9 CEPA, *An Examination of the Determinants of Interest Rate Spreads in Ghana* (CEPA, 2014).

10 NRECA, *Power Distribution Feasibility Studies, Ghana, Phase II Report* (NRECA, 2014).

key projects needed to help the power utilities. Almost all power sector stakeholders also mentioned USAID's ongoing integrated resource and resilience planning as a useful and invaluable study that they expected to facilitate effective planning in the electricity sector.

Power Sector Studies

The evaluation team is aware of at least 10 studies related to the power sector conducted under the aegis of PFG in Ghana. At the time of the final evaluation, eight were completed and two were ongoing.

> "… We are still following up on their recommendations to see how we can implement them, although we have not had funding to implement all the recommendations … the studies have helped us because we were using the recommendations from our studies as justifications to ask stakeholders to help us improve on our performance."
>
> – TWG member

Interviewees generally agreed that the studies and related technical assistance supported by PFG were useful planning and decision-making tools for the power sector. However, stakeholders were divided as to whether the studies in and of themselves were sufficient for tackling constraints in the power sector. Some stakeholders opined that PFG's nonprogram assistance mandate meant that several key study recommendations could not be implemented due to a lack of GOG funding, diminishing the study's relevance. Others, however, felt that the importance of the studies should not be downplayed — even without additional funding for implementation — because they provided a solid analytical basis for what needed to be done and would be indispensable resources for understanding and addressing funding needs moving forward.

> "… PFG didn't have a budget, so some of the things we wanted to do didn't happen … Ultimately, the lack of money for infrastructure was a problem. There were studies, but no money for anything beyond that. Without investment money it doesn't work. The soft side just is not enough …"
>
> – JSC member

Recipients saw all but one of the power studies as relevant and useful. Some stakeholders indicated unhappiness about aspects of Nexant's draft report on electricity demand forecasting.[11] These respondents indicated that participants raised some issues during the presentation of report findings, and they thought that Nexant planned to address the issues in its final report, but at the time of the evaluation they had not yet received the final version. As a result, their institution had to issue a request for proposals for a similar study to be carried out with World Bank funding.

Credit Sector Studies

Several studies and policy documents relevant to Ghana's financial sector and development agenda were also published or circulated in connection to PFG. As with the power sector, multiple PFG-related activities funded these reports, but in the power sector, data from the various individual reports had relevance across several different parts of the same sector. The credit sector included a more divergent range of actors and agendas, which rendered the data from the credit sector studies less broadly useful. Additionally, while credit sector interviewees named the following reports as useful and relevant to their

11 Nexant, *Electricity Demand Forecasting and Suppressed Demand Estimation Study* (USAID, 2015).

pursuit of PFG goals, there was some redundancy in what they addressed, and less unitary agreement on how to achieve their recommendations.

- An Examination of the Determinants of Interest Rate Spreads in Ghana, CEPA, 2014
- Financial Sector Strategy Plan (FINSSP) II, MOFEP, 2011–2015
- Support for Private Sector Development, Phase III Strategic Program, Danish International Development Agency (DANIDA), 2016–2020
- Ghana Growth Diagnostics Study (CA)
- Activity Report – Small and Medium Enterprise Support Strategy, 2015–2020, Financing Ghanaian Agriculture Project (FinGAP)
- USAID/Ghana Country Development Cooperation Strategy, 2013–2017
- Investment Mapping System, FinGAP, 2016
- Agribusiness Investment Opportunities Mapping Assessment, FinGAP, 2016

While the PFG CA and JCAP highlighted the lack of access to credit for small- and medium-sized enterprises (SMEs), several other projects such as FINSSP II were also attempting to address this issue. The PFG midterm evaluation demonstrated that there was considerable overlap between FINSSP II's objectives and PFG's access-to-credit goals. The considerable overlap in implementation (2011–2015 for FINSSP II and 2013–2016 for PFG) made it difficult to integrate the two programs to achieve a positive result for the sector. The conclusion that the evaluation team drew from the midterm evaluation and from interviews was that if the programs had been implemented in a coordinated fashion during the same period, it would have resulted in a more focused attention to the constraints. The overlap in the implementation periods meant that the programs did not concentrate resources into resolving similar constraints. Ultimately, it appeared that due to a lack of funding, FINSSP II was not fully implemented, but instead some of its components were simply integrated into PFG.

This was not an isolated situation, as a review of documents on SME development during the same period showed that, in several other cases, studies agreed on what the problems were, but were less successful in producing a unitary response. As a result, the evaluation team sometimes encountered overlapping programs with uneven or overlapping targeting. These overlaps may have resulted in duplication of efforts and inefficient utilization of resources. The team saw this in projects and programs undertaken at the same time in the same region that basically targeted the same beneficiaries. For example, the DANIDA access-to-finance program in Northern Ghana targeted the same beneficiaries as the FinGAP program.

The FinGAP Activity Report found a lack of coordination among major SME development stakeholders and recommended the establishment of a coordinating SME authority comprised of leaders of all major institutions supporting SMEs and with private sector representation on its board. The body would be the main authority overseeing implementation of the SME strategy, facilitate coordination between implementing institutions, monitor progress toward achieving strategy targets, provide capacity building to implementing institutions, and formulate and recommend policies for an SME-enabling environment. High-level interviewees at MOTI, the National Board for Small Scale Industries (NBSSI), and MOBD concurred that effective coordination by such a body could have ensured that all strategic plans, projects, and resources aimed at the development of SMEs and improving their access to credit would have been much better integrated to maximize impact.

Conclusions

PFG provided a useful way of doing more with less by making sure that necessary studies and policy guidance documents were completed and available to facilitate decision-making. Moreover, the WGA convening structure made the JSC and TWGs useful venues for sharing those studies so that decision-makers in related institutions could use them as common references. However, qualitative data revealed problematic budgetary shortcomings for implementation, particularly in the credit sector, and brought to light disagreements over responsibility for funding and implementation, suggesting that the provision of robust data and clear policy guidance cannot guarantee successful implementation in the absence of sectoral unity.

Addressing Funding Challenges

Although the USG planners for PFG in Ghana made clear at the outset that it would not bring any new funding mechanisms, GOG stakeholders at both the JSC and TWG levels still carried the expectation that the partnership would bring some funds for infrastructure investments. These Ghanaian stakeholders felt that the absence of funds for identified interventions served as a major disincentive to their work and contributed to the inability of some ministries to meet their performance targets. While MCC and Power Africa provided some assistance, the GOG and private stakeholders felt that this was not sufficient to meet the investment requirements for the critical interventions needed to bring about the desired turnaround.

Several stakeholders noted that the lack of funding was a major reason why the interest of GOG stakeholders waned, and unless funds were provided for the running of the secretariat — including supporting the work of the TWGs — they expected the secretariat and the TWGs to stop working once the funds were fully depleted. Study tours organized for the monitoring and evaluation (M&E) working group were one of the only nonmonetary incentives that USAID introduced to motivate TWG members, although participation in the TWG required a significant commitment of time and effort for some in the group.

Respondents identified similar issues in the limited funding for the secretariat. Although some funding was initially diverted from Feed the Future[12] to support the secretariat, top secretariat management indicated that its initial funding was exhausted. This seriously affected the secretariat's ability to implement its mandate, which included:

- Preparing agendas, minutes, and other documents requiring action by the various PFG committees in coordination with USG counterparts;
- Maintaining PFG documentation and records;
- Undertaking follow-up actions in support of JSC decisions;
- Serving as the liaison between the JSC and the TWGs;
- Liaising with the TWGs to update the PFG M&E framework and the balanced PFG scorecard;
- Working with the TWGs under the direction of the JSC and in consultation with USAID, arranging for the third-party midterm and final PFG evaluations, and semiannual public reviews of the PFG scorecard;
- Arranging JSC meetings and provision of necessary logistics for the meetings;
- Supporting advocacy and other outreach efforts for activities; and
- Performing other duties as directed by the JSC.

At the time of the final evaluation, the secretariat continued its efforts to fulfill its mandate, but the secretariat's coordinator indicated that the lack of funding had impaired its ability to carry out some of its functions effectively. This included working with the TWGs on their activities and organizing workshops and trainings to build the capacity of both the TWGs and the secretariat.

12 Feed the Future, though not a significant partner in PFG, saw the provision of funding to support the PFG secretariat as important to its own goals, due to the connection between a healthy agricultural sector and access to power and credit.

A further limiting factor arising from the lack of funding related to the commitment and enthusiasm of JSC members, heads of agencies, and the credit sector TWGs to participate in PFG activities. Secretariat interviews indicated that initially there was a great deal of enthusiasm, but over time this waned due to the absence of direct funding for PFG coordination activities, inadequate funding for the secretariat, staff turnover in agencies associated with PFG, and the absence of incentivizing allowances and honorariums. Secretariat respondents explained that most participants seemed to view their PFG roles as an addition to their normal institutional responsibilities. Most provided their own transportation to participate in PFG, which was quite involved, and they expected to be compensated for the additional effort and time they put into PFG. The secretariat's coordinator explained that in advance of the July 2017 TWG meeting, participants were informed that a transport allowance would be paid, courtesy of funding from USAID. He said that this notification motivated members to attend in substantially larger numbers, culminating in full participation and an excellent meeting.

> "The NRECA studies outlined [a] certain number of projects they thought were necessary for NEDCo to undertake to improve its operations. On the basis of that, NEDCo was asked to implement those projects, but the issue was how to get funding."
>
> – TWG member

Power

Power sector stakeholders expected lack of continuing funding for secretariat operations to be a major challenge for the partnership. Without even the minimal funds required to pay for basic activities and supplies, they expected it to be difficult to get the working groups and coordinating secretariat to function. Of particular concern to power sector stakeholders was the need to fund actions to ensure the establishment of a functioning secretariat following the exit of the chief executive officer of Bui Power Authority, whose office and staff were ending their role in the secretariat for the power TWG at the time of the final evaluation.

The USG held that beneficiaries should not expect development assistance to plug the Ghanaian power sector's financing gap, and ultimately private capital would flow into the sector if stakeholders could create the requisite enabling environment. The chief executive officer of an independent power producer (IPP) financed by the Greenfield project corroborated this view, opining that the problem was not one of limited funding but rather the ability to put together a bankable project even in an enabling environment. He cited his $900 million project, which was the first and, at the time of the final evaluation, the only privately financed power project implemented by an IPP in Ghana, as an example of the possibility of attracting funding when a project is bankable and the environment ripe for doing business. Another USG stakeholder expressed the related concern that the GOG might be overly concerned with the lack of funding, which could result in the real and potential benefits of PFG being overlooked and thus not realized.

Credit

The lack of direct funding also seriously affected the GOG's ability to implement some of the activities the JSC recommended to alleviate the credit constraint. As mentioned previously, this was especially true for LOAs directed to goal 5 (encourage development finance and support SME access to finance). Most expected results from this goal had not been achieved or were behind schedule, as the lack of funding for the TWGs affected their ability to implement activities. This was, in part, because the FINSSP II refinancing fund was not sufficiently equipped to meet FINSSP II's high funding requirements and ambitious impact targets. Although planning for FINSSP II predated PFG, the PFG's unfunded mandate prevented it from supplementing the fund or compensating for this shortfall.

> "It is true that under PFG, the USG is not bringing a lot of money, but if we had followed the process we would have gained a lot. … The small money we had would have been put to a better use. For me, that is what we are losing … There were so many things in the program that were not direct money but that could have brought a lot of benefits."
>
> – JSC member

Conclusions

Ultimately, the issue of funding can be broken down into two distinct challenges: programmatic and administrative. Respondents disagreed over the degree to which the USG-provided studies and policy documents could facilitate GOG-driven change and decision-making, even though programs could not look to PFG for funding. However, all respondents agreed that administrative funding for the secretariat was nonnegotiable. The only way in which the work required for PFG's highly lauded convening could be done was through the hard work of individuals doing the necessary day-to-day organization and coordination, which could not happen without financial support.

The FinGAP Approach to Nonprogram Assistance

PFG's nonprogram assistance approach is predicated on the idea that through better alignment and coordination, groups with common goals can leverage existing resources without having to expand programmatic funding streams. Unlike the power side of PFG in Ghana, where a confluence of activity from Power Africa and the MCC compact ensured that at least some supporting funds from other sources were already directed at the sector's problems and goals, the credit constraint had little donor activity in play.

One of the few notable exceptions was USAID's FinGAP. As part of its participation in and support for the PFG, FinGAP explicitly dedicated more than 20 percent of its budget to support improved access to credit for maize, soya, and rice farmers' agribusinesses within the value chain, including buyers and wholesalers of agricultural products and outputs, sellers, animal feed manufacturers, and agricultural input suppliers (e.g., fertilizer, seeds). This is significant, because more than 80 percent of employment in Ghana is with SMEs, most of which operate in the agribusiness sector, and the JCAP established service to SMEs as a priority.

In addition to the agricultural financing component, FinGAP's programmatic funding targeted high-potential SMEs by providing capacity-building services to help them raise equity through Ghana's newly established Alternative Stock Market. FinGAP funding also assisted various institutions such as the Exim Guaranty, which provided a $500,000 guarantee facility to improve access to financing for agribusinesses. The head of operations of Exim Guaranty explained that normally banks required 8–10 percent as third-party collateral for loans, of which 5.5 percent was for commission and other costs. FinGAP would arrange to cover half of the collateral if banks dropped the rate to 4.5 percent. FinGAP used its guarantee funds to cover 50 percent of that 4.5 percent. He further explained that both his company and the banks substantially benefited from FinGAP-sponsored training programs on topics such as identifying risk for lenders. Banks gained a new perspective on agribusiness and learned to think of the sector as being more than just crop growers, but rather a whole value chain that included SMEs handling fertilizer, animal feed processing, and other related goods and services. At the time of the final evaluation, FinGAP was helping banks set up their own agribusiness desks, and public and private sector interviewees reported that banks and service providers in the agribusiness sector associated Exim Guaranty with the facilitation of agribusiness credit and financing.

SEC managers interviewed reported that FinGAP provided funding for an external consultant to undertake a CA of SEC's operations. These SEC representatives were quite pleased with the assistance and indicated that it was helping them complete a long-awaited strategic plan for the institution. FinGAP also provided funding for an external PFG SME consultant and a local consultant to undertake the Activity Report – SME Support Strategy, 2015–2020, which aggregated information on SMEs and SME support services in Ghana and mapped Ghana's current SME support services.

While FinGAP filled a small niche in the agribusiness and SME financing sector, the need for funding for SMEs was immense. A summary of World Bank survey analysis undertaken as part of the Activity Report – SME Support Strategy, 2015–2020, in September 2014 showed that only 27 percent of SMEs had working capital financing from banks, and only 25 percent had bank loans. The numbers were much lower for microenterprises, with only 16 percent obtaining working capital financing from banks and 18 percent having bank loans. Power sector representatives expressed a need for similar capacity-building assistance for lenders and borrowers in their field as well.

Conclusion

While small relative to the needs of the credit sector, FinGAP provided a useful example of how existing funding streams could be successfully aligned with a WGA to produce broad benefits without the allocation of new funding streams. Furthermore, the response to its capacity-building activities provided an example of how expanded training and support could bridge the gap between lenders who were unsure of how to assess the risks of lending to SMEs and borrowers who were afraid to approach those lenders. Moreover, it illustrated how to bridge that gap in a fashion that would ensure a positive outcome for both parties.

EVALUATION QUESTION 1

What has been the overall impact of PFG in Ghana, and how did the various lines of action contribute to this outcome?

As an addendum to the JCAP, PFG in Ghana developed an M&E framework that presented quantifiable metrics for each of the 10 goals, including 22 indicators for goals related to the power sector and 27 indicators for goals related to the credit sector. Annex VII lists the indicators and data sources for each goal. All TWGs were required to adhere to these metrics to ensure consistency and accuracy in reporting on benchmarks and indicators. An integral part of the M&E framework was the semiannual scorecards, which were meant to report publicly on progress toward macro-, goal-, and LOA-level indicators. Annex V provides the results reported for these indicators from the beginning of PFG through the most recent reporting to the JSC in July 2017.

Any discussion of PFG's impacts or results must therefore include a review of progress on the indicators over the period of PFG implementation and, where possible, a description of what elements of that progress could be directly connected to PFG-driven actions. This was also an iterative process, however, as the JSC and the TWGs made decisions and pursued activities based on these indicators, even though many factors external to PFG influenced the ways these indicators changed each year. While there was no way to know whether the activities and agendas developed under the PFG goals would have been pursued without their explicit delineation in the JCAP, the evaluation found, based on meeting minutes, project documents, and interview data, that the indicators were clearly high-priority issues for stakeholders across the two constraint sectors.

Limitations to Answering EQ1

There were two mitigating issues around using the PFG indicators to answer EQ1: the timing of this evaluation and the general economic condition of Ghana's power and credit sectors.

Data collection for this evaluation took place between June and August 2017, almost a year before PFG was scheduled to end in March 2018, so the full effects of a five-year partnership were not yet evident, although some leading indicators may have been visible. Furthermore, for constraint-specific outcomes (i.e., transformation of the power and credit sectors) and the larger objective of accelerated and sustained broad-based and inclusive growth, activities taking place within PFG's goals were necessary but not sufficient to impact these results.[13]

Any expected connection between the PFG indicators and the partnership's intended results should be understood in the context of three important, interrelated, congruent macroeconomic events that took place in Ghana during PFG: a fiscal crisis, a power crisis, and a credit crisis. Most seriously, due to intensifying issues related to the national debt, the GOG faced a severe fiscal crisis in PFG's first year. This had broad ramifications for the entire economy, with severe intensifying effects on simultaneous crises in the power and credit sectors, and with serious ramifications for Ghana's economic growth potential. Because of the fiscal crisis, the GOG was forced to make heavy use of borrowing from the BoG and other financial entities, hampering their capacity to lend to other institutions or to alleviate intensifying shortfalls in power generation and delivery, as credit costs and budget problems made capacity increases economically unfeasible. The power sector's unpredictability had further compounding ramifications for the wider economy, as factories and businesses were left with uneven access to power for their continued operation.

Ultimately, although these factors were addressed in subsequent years, their effects on PFG (and by extension this evaluation) were particularly visible in two areas. First, they limited the degree to which PFG-driven activities and PFG's general approach to bilateral cooperation could be expected to transform the Ghanaian economy. As shown in some of the goal indicators, actors — particularly business sector participants — in the power and credit sectors were at times hard-pressed to maintain current operating conditions, much less improve them. Second, and harder to measure, was the issue of what would have happened if these three crises — fiscal, credit, and power — had not occupied so much of the attention of USG and GOG entities working in these sectors. When the JCAP was initially developed, it was seen as a living document that could be modified in response to changing conditions and circumstances during PFG. However, individuals from both the USG and the secretariat indicated that very little adaptive modification of the JCAP took place, as the various institutions prioritized addressing their most critical sectoral concerns, and did not see a comprehensive review and revision of the JCAP as a priority at that time.

Progress on Power Goals and Indicators

This section highlights PFG progress toward the five goals related to the power sector laid out in the JCAP, noting when extenuating or contextual circumstances significantly affected PFG results on the reported indicators, or when a PFG activity substantially influenced or failed to influence a metric or sector.

13 This point is highlighted on page 5 of the M&E Addendum to the JCAP.

Goal 1: Policy, Strategy, and Planning

PFG contributed to significant progress over the past three years by providing unitary coordination on the development of energy sector plans, policies, and strategies to improve private investment in the power sector, and supporting the development of a transparent framework for the extraction and utilization of natural gas resources. Based on reporting documents and power sector interviews, the evaluation team found that GOG power stakeholders and private power companies were adhering to PFG milestones for the preparation of key power sector policies and strategies. Private sector investment in power generation also significantly increased, with IPP investments growing from $950 million in 2014 to $1.10 billion in 2016. The 2007 discovery of Ghana's offshore "Jubilee" natural gas field had an outsize influence on planning related to the share of gas-based generation in the electricity generation mix. Past planning efforts made premature assumptions regarding how soon that natural gas would be available, but at the time of the evaluation, delayed key underwater infrastructure construction was finally reaching completion, and the most recent industry reporting indicated that the proportion of gas-based generation was expected to increase significantly, and in a much more stable and predictable fashion.

Goal 2: Institutional, Regulatory, and Structural Reform

Thanks to the implementation of the regulatory reforms stipulated in the JCAP, the evaluation found progress on goal 2, which sought to strengthen institutional, regulatory, and structural reform with the view of enhancing the financial viability, operational efficiency, and sustainability of power sector utilities. Reforms included adjustments to both the permissible electrical rates and the government tariffs on those rates. The reforms affected the major power companies' (ECG and NEDCo) selling price for electricity and the power infrastructure costs recovered through of the government's electrical tariff. However, although the numbers generally improved over the period of the PFG, the changes also reflected major external factors that were beyond the control of PFG or the broader power sector. Fluctuations in crude oil prices heavily impacted the overall cost to generate electricity, while government power regulatory institutions kept the selling prices for electricity relatively fixed. Additionally, the depreciation of the Ghanaian cedi against the U.S. dollar meant that Ghana-based institutions could find themselves at a disadvantage when using the local currency for international purchasing.

Goal 3: Electricity Demand and Generation Capacity

Goal 3 sought to improve energy security and growth through the expansion and diversification of gas and renewable energy supply in a power sector dominated by petroleum. New private investments in the generation segment of the electricity value chain increased significantly from 2012 to 2016, resulting in an 800 percent increase in privately installed power generators. This newly installed capacity comprised dual fuel thermal plants and grid-connected renewable energy systems, added to the private sector's share of the generation mix. This included a 20-megawatt grid-connected solar project, which was the first solar IPP in Ghana. Another indication of progress toward goal 3 was the nearly 41 percent increase in the electricity demand coverage ratio,[14] from 132 percent in 2012 to 185 percent in 2016.

Goal 4: Transmission and Distribution Infrastructure and Operations

Under goal 4, PFG sought to improve the utilities' performance, infrastructure, reliability of supply, and ability to support demand growth. Key activities undertaken included target setting for operating companies to reduce network losses and undertake network improvements; interventions in metering, billing, and collections to reduce losses to a more acceptable and sustainable level; the expansion of

14 This ratio measures the ability of the power system to meet energy demand in Ghana.

power transmission and distribution facilities via public or private financing; and improvements to corporate governance and management in the transmission and distribution sectors.

PFG made little progress on goal 4, and most indicators stagnated or deteriorated during the 2012–2016 period. Several key indicators were worse in 2016 than they were at baseline. This downward trend was most pronounced during Ghana's power crisis. Although many aggregate numbers worsened, in many cases they also began to improve again. This trend highlighted the difficulty of relying on the indicators as metrics of success for a sector that was struggling with issues outside of PFG's control.

An exception to these negative results for goal 4 was the improved coverage of operating costs for ECG and NEDCo over the four-year period, thanks to the reforms conducted under goal 2. In addition, ECG was able to reduce the duration and frequency of unplanned outages for both its urban and rural customers. The duration of outages for rural customers declined from 229.3 hours in 2012 to 158 hours in 2016, and from 211 hours to 146 hours over the same period for urban customers. The frequency of outages also declined from 267 in 2012 to 108 in 2016. However, for NEDCo, the duration and frequency of outages worsened for rural customers (with outage duration increasing from 76 hours in 2012 to 162 hours in 2016, and outage frequency increasing from 61 in 2013 to 112 in 2016), and improved slightly for urban customers (with outage duration decreasing from 141 hours in 2013 to 127 hours in 2016, and frequency falling from 50 to 48 over the same period).

Goal 5: Rural Access

Goal 5 sought to improve rural access to and effective management of power. Rural access to electricity increased by nearly 10 percentage points from 2012 to 2016. This was consistent with increases in national access, which grew by 9 percentage points during the same period. Furthermore, with off-grid sources generating 9,051 kilowatts peak in 2016, Ghana was on track to meet the 2018 target of 10 megawatts peak of installed capacity from off-grid generators. That said, although the MCC planned some rural access components, it had not yet made those investments at the time of the final evaluation, and so PFG's direct role in the improved access to power was largely limited to the establishment of the JCAP goals.

Progress on Credit Goals and Indicators

Through the JCAP, PFG helped chart a course of action that the stakeholders expect to steadily reduce the constraints to credit access. Although interest rates remain prohibitively high, they slowly but steadily decreased during the first three years of PFG, and according to the latest JSC report, all but one of the five credit goals were on track, laying the groundwork for further progress in this area. This section summarizes achievements reported against the M&E framework indicators toward each of those goals as of July 2017.

Goal 1: Reduce Government Engagement in the Banking Sector

During PFG, the GOG dramatically reduced its reliance on the domestic banking sector for alleviation of revenue shortfalls. Although the government continues to borrow from the banking sector, the value of GOG borrowing decreased drastically. This was in line with the GOG's disengagement from the banking sector to reduce crowding out of private sector borrowing. Most importantly, GOG borrowing from the BoG to cover past tax revenue shortfalls had dropped to zero by the end of 2016 as part of the shift away from short-term borrowing delineated in the JCAP.

In terms of the GOG's divestiture from the Agricultural Development Bank (ADB) and the National Investment Bank (NIB), ADB was listed on the GSE in December 2016, and in June 2017, a Supreme

Court of Ghana ruling paved the way for the GOG's divestiture from NIB to continue. The idea behind the policy was that as former state institutions sold the government's equity to investors, the injection of fresh capital would improve their asset base, so they would have more liquidity, and thus their ability to lend to the private sector would improve. Thus, stakeholders expected the GOG's divestiture from ADB and NIB to improve the banks' asset base and ability to provide credit to the private sector.

The Ghana Integrated Financial Management Information System (GIFMIS), which PFG included as one of the activities under this goal, was launched by GOG in 2014 and was fully operational by December 2014. All GOG ministries, departments, and agencies used the module to prepare their 2015, 2016, and 2017 budgets. Although no GOG entities completed formal estimates of cost savings, two GOG interviewees familiar with the GIFMIS rollout indicated that it had improved the efficiency of the GOG's budgeting process and produced labor cost savings, for example through cleaning of outdated employee rolls and improving efficiency in procurement.

As of July 2017, Parliament was working on draft amendments to the 2014 Financial Administration Act. It also completed and passed the draft amendment to the 2002 BoG Act (Act 612) in 2017. As the act required, BoG limited its lending to the central government to 5 percent of the previous year's tax revenue.

Goal 2: Strengthen Financial Sector Regulation and Supervision

PFG's work under goal 2 mainly involved strengthening the regulatory quality of the National Pensions Regulatory Authority (NPRA) and the supervision capacities of the BoG and the SEC. By July 2017, the NPRA — with assistance from the State Secretariat for Economic Affairs of Switzerland — trained all staff on programs including risk-based pension supervision. While the NPRA was slowly improving its supervisory and regulatory capacities, the SEC was facing challenges due to inadequate funding, low incentives to attract key personnel, and a lack of training for personnel. The evaluation team's interviews with SEC management indicated that SEC received some assistance and generated some revenue through fees paid by companies listing on the GSE, but it needed to expand its revenue streams to address its current funding shortfalls.

PFG supported new banking regulations on licensing, corporate governance, external auditors, technical management services, outsourcing, mergers and acquisition, and representative offices. According to interviewees from the BoG and the SEC, the enactment of the 2016 New Securities Industry Act (Act 929) and other financial sector laws resulted in a stronger regulatory system to better protect investors and conform to international best practices. Parliament passed other financial sector laws supported under goal 2 to strengthen the regulatory and supervision sector, including the BoG Act, the Banks and Specialized Deposit-Taking Institutions Act, and the Deposit Protection Act. At the time of the final evaluation, regulators were undertaking training programs to support the new laws.

Goal 3: Develop the Financial Sector Infrastructure

Achievements under goal 3 included improving the use of the e-Zwich electronic payment system, increasing financial institutions' use of credit bureaus, and increasing the use of the Ghana collateral registry to assist banks and other financial institutions in making faster and more informed credit decisions to increase the number of private sector loans, especially to SMEs.

According to the scorecard, e-Zwich services were delivered through point of sale devices at bank branches, e-Zwich biometric or hybrid automated teller machines, and mobile money agents. The Ghana Interbank Payment and Settlement Systems was given the contract to extend coverage for Youth Employment Authority, Livelihood Empowerment Against Poverty, the Government Social Opportunities Project, and school feeding payments to the entire country. The Ghana Interbank

Payment and Settlement Systems also was creating the platform for remittance companies to use the e-Zwich system and expanding coverage of government payments, and it planned to deploy the payment distribution system to 15 large organizations. It also planned to provide the platform for the interoperability of mobile money services by November 2017.

Utilization of credit bureaus increased over the PFG period, but the collateral registry did not fare well under PFG. Some respondents expressed concern that the BoG was not enforcing the credit monitoring law, suggesting that it should apply the law to check its own data. The law may need an amendment to ensure that credit agencies are being used by lenders and that they are not undertaking predatory pricing or providing low-quality data services.

According to the scorecard, in 2014 Parliament began work on a possible amendment to make the Collateral Registry Act more effective, although it appears to be more focused on drafting Deposit Insurance Legislation. Parliament completed the draft Deposit Protection Bill in 2015 and passed it in 2016. It enacted the final Deposit Protection Act (Act 931) in 2017. At the time of the final evaluation, the GOG was setting up the Deposit Insurance Corporation with funding from the BoG and the Danish Government. To deepen financial inclusiveness, the MOFEP was developing a National Financial Inclusion Strategy that it expected to forward to the cabinet for approval and launch before the end of 2017.

Goal 4: Broaden and Deepen the Financial Sector/Reduce Interest Rates

Goal 4 is intended to make the domestic financial sector the preferred source of finance and to diversify the domestic financial sector within a competitive environment. To achieve this goal, actors associated with PFG took steps to support the following measures:

- Increase the volume and value of secondary market trades;
- Increase activity on the GSE, including the market for SMEs to raise equity and debt capital;
- Implement recommendations of the Corporate Bond Market Development Committee; and
- Establish a Securities Institute to improve and formalize the skills of professionals in the securities industry.

Performance on these measures was uneven. PFG did not set consistent targets for most of these indicators, and in cases where it did, it met none of the 2016 targets except for the total number and value of foreign exchange trades. The rest of the indicators were down or only slightly positive for 2016 compared to 2013. For example, the number of companies listed on the GSE increased very little, from 35 in 2010 to 41 in April 2017, and only 4 SMEs were listed to sell equities on the Alternative Stock Market.

The interest rate spread has remained high over several decades. The midterm evaluation of PFG noted that between 1997 and 2012, the net interest margin (spread), measured as the difference between the nominal savings rate and the nominal lending rate, averaged 22.92 percent.[15] Between 2002 and 2017, the actual interest rate in Ghana was 21 percent, among the highest in the world.[16] FINSSP II noted this large spread between borrowing and lending rates as the most challenging obstacle to Ghana's aspirations for faster economic growth and development.

While liberalization and other market-driven reforms in Ghana's financial sector led to a large increase in the number of banks and nonbank financial institutions in the country, the increased competition did not bring lower lending rates or narrower interest spreads. While the increase in the number of banks

15 Derived from Quartey and Afful-Mensah (2014).

16 See: https://tradingeconomics.com/ghana/interest-rate.

reduced industry concentration and somewhat increased competition, most interviewees in the credit sector still considered the sector oligopolistic. These changes did not lead to significant restructuring, leaving the sector with high lending rates, a wide spread between borrowing and lending rates, and an inability to foster private sector development.[17] At the time of the final evaluation, recent activities and new laws and regulations had attempted to broaden and deepen the financial sector, but their impact had been very limited because most of the banks were carrying large, nonperforming loans in their portfolios and needed to hold considerable reserves to cover them. The nonperforming loans also increased the risk of borrowing, and covering those risks required increases to interest rates. Additionally, the collateral registry and the credit bureaus were still being developed, so banks did not have much information about borrowers' creditworthiness and lacked a reliable means to determine how much of the borrowers' pledged assets were already encumbered, leading to an even greater need for high interest rates to cover their risks.

Goal 5: Encourage Development Finance and Support SME Access to Finance

Prior to PFG, the two major development finance institutions in Ghana were the ADB and the NIB. By July 2017, both had become full-fledged banks, and the GOG had reduced (or was in the process of reducing) its involvement in these institutions. In their place, the GOG created nonbank development finance institutions such as the Export Development and Investment Fund, Venture Capital Trust Fund, Exim Guaranty Company, and the Export Finance Company.

Through PFG and as part of its long-term financial sector plan, the GOG engaged USAID to support the establishment of a new Ghanaian Export-Import Bank (EXIM), with the intention that some of the nonbank development funds would be absorbed into the new bank. According to the PFG secretariat's coordinator, PFG brought the EXIM and the World Bank on board to help coordinate the financial restructuring process. PFG expected that the World Bank would provide mostly technical assistance, and that the EXIM would help Ghanaian SMEs increase their exports, taking advantage of the extension of the Africa Growth and Opportunities Act to access U.S. markets.

While the development finance sector showed improvement with the creation of the EXIM, its contribution to increasing access to finance — especially for SMEs — was unclear. While the new Alternative Stock Market resulted in eight SMEs' accessing equity and bond financing, an interviewee at the BoG indicated that most SMEs found the process onerous and expensive as they needed to meet the same conditions as larger companies for listing on the GSE. Moreover, most Ghanaian SMEs were family businesses or sole proprietorships, and the proprietors were reluctant to share ownership as they feared losing control of their companies.

Overall, access to financing for SMEs did not gain as much traction as PFG expected. The absence of metrics on SMEs, which constrained the measurement of SME financing, reinforced the fact that the Ghanaian business and financial sectors had no commonly accepted definition of SMEs for most of the PFG implementation period (discussed in further detail below). Several programs, including FINSSP I and II and the Ghana Private Sector Development Strategy III, were supposed to improve SME access to finance, but without a common definition for SMEs, it has been difficult to determine their contributions to SME finance.

Impact of PFG: The Establishment of Common Metrics

Despite the flaws and limitations of the indicators that PFG established and used to measure results, as noted above, the partnership was instrumental in pushing for the centralized adoption of shared metrics

17 FINSSP II.

to assess progress. PFG facilitated a shared set of metrics, where previously each institution had its own approaches to measurement. While the evaluation cannot definitively attribute macro-level changes to PFG activity, quality metrics gave implementers a basis to improve project design and implementation as well as make informed strategic decisions. Accurate metrics assisted in the setting of clear and achievable targets based on reliable baseline information, and it was critical for PFG implementing agencies to be able to measure effectively and report on the results of activities defined under the LOAs.

Having clear, easily understood common metrics also ensured that data collection methodologies and protocols were more accurate and that reports and scorecards were more reliable and could be easily validated. Shared metrics therefore improved decision-making and strategic planning within the sectors and helped planners target the right beneficiaries to achieve intended results.

Interviews with at least 10 senior GOG officials in both the power and credit sectors indicated that increased data sharing positively influenced attitudes toward data collection. Although new standards and expectations for in-house data collection represented additional costs that challenged some institutions, respondents saw M&E capacity building as successful for reporting and understanding key performance indicators. The adoption of common metrics and reporting standards had somewhat different results in each constraint area, as described below.

> "One of the good things about PFG is that some of the data required actually aided us in our planning. We were not gathering such data, so getting such data through PFG helped us a lot in our planning."
>
> – GOG JSC chair

Power Sector

The power TWG had responsibility under PFG for collecting data and reporting on each of the 22 metrics related to the power sector. Interviewees generally agreed that the PFG data collection and reporting process was helpful, as it produced information vital to ensuring proper and harmonized planning in the sector. One GOG interviewee lauded it as "a step towards evidence-based decision-making in the sector." PFG thus helped create shared metrics that provided the framework for enhanced data sharing among power sector entities. GRIDCo was pleased to have unrestricted access to relevant sector-specific information (especially from ECG and Ghana Gas Company Limited), as the data helped improve its system planning and forecasting.

Data collection and reporting on the power side also benefited substantially from USAID/Ghana's Monitoring, Evaluation, and Technical Support Services (METSS) office in Accra. METSS has a mandate to support the monitoring activities of several U.S. presidential initiatives, including PFG, Power Africa, and Trade Africa in Ghana. Throughout the life of PFG, METSS provided M&E training and capacity support, as well as some data collection and compilation assistance to the PFG secretariat and several actors on the power sector side. However, data collection on the credit side of PFG saw no equivalent level of support.

While users of the reporting information gathered through PFG's M&E framework were quite positive about the process, the individuals responsible for collecting and sharing that information were less enthusiastic, particularly on the credit side. Collecting data in the format prescribed by the M&E framework proved time-consuming and challenging for some sector agency representatives, who often lacked the tools or funding to collect data in the specified formats. This affected the quality of the data gathered for some of the indicators and in some cases led to the exclusion of some data from reports submitted to the JSC.

> "The M&E created a challenge. It was often hard to get done when needed, and there was no way to check the quality or accuracy of the data. Ultimately some of the M&E was cut from the reports to the JSC because of the suspicion that the data wasn't accurate."
>
> – GOG JSC representative

Credit Sector

The complexity of the PFG credit constraint made the development of common metrics challenging, as it required harmonization across diverse GOG and private-sector institutions (e.g., MOTI, MOFEP, BoG, SEC, GSE, NBSSI, Exim Guaranty, commercial and rural banks, credit unions, insurance companies, and microfinance institutions).

A review of the scorecards showed several anomalies with respect to indicator definitions and targets. As with the power sector indicators, some credit indicators lacked baselines, while others were missing targets. There was no clear indication as to how targets were set or what assumptions underlay those targets. While this information was not necessary for the scorecards, it should still have been easily accessible in some format so that readers could understand why targets were met or not met and what actions should be taken if targets were not met.

One issue that came up repeatedly was the definition of SMEs and micro-, small-, and medium-sized enterprises (MSMEs). While there was confusion about the definitions for several indicators, the definition of SMEs/MSMEs was critical as it affected several other indicators in the scorecard and influenced GOG economic policies. SMEs are integral to Ghana's economy, and efforts to improve their access to credit required addressing several related factors, including the limited managerial capacity of SMEs, the level of existing knowledge-based enterprises, the types of technologies used, industry standardization, and financial management practices. To address these, FinGAP developed a PFG-SME Support Services Strategy Report for the SME task force. An explicit component of the study was the establishment of a common definition of MSMEs[18] in Ghana, which was critical as it determined how many enterprises were in each category and guided the policies developed by the GOG, development finance institutions, and donors to improve MSME performance and contribute to Ghana's development.

Interviews with six high-level GOG and private sector respondents confirmed the SME/MSME definitional problem, and this situation was compounded by the fact that there was no single entity within the government or its various institutions that was responsible for developing policies, regulations, programs, and services targeting MSMEs. MOTI was expected to set the agenda, but NBSSI also had a parallel mandate to promote MSMEs. This was complicated by the creation of the MOBD, whose terms of reference also seemed to include the development of SMEs.

The PFG-SME Support Services Strategy Report and the PFG midterm evaluation both recommended that the GOG establish an apex institution responsible for overall development of the MSME sector. Interviewees at MOFEP and NBSSI indicated that the GOG was in the process of amending NBSSI's mandate to include this function. However, it was not clear from the evaluation's interviews if all interested parties within and outside of the GOG fully supported this proposal. Although NBSSI was set up to provide business support services to MSMEs and had a large presence throughout the country, for

18 Because of differences in institutional mandates, the GOG and USG focus on SMEs was inconsistent, variously addressing MSMEs and SMEs as well as small and medium including large enterprises (SMiLEs).

budgetary reasons it provided services only to a limited number of microenterprises, and it lacked the capacity to assume the apex role for the whole Ghanaian MSME sector without substantial budgetary expansion. Table 4, adapted from the SME Support Services Strategy, closely matches the MSME criteria from NBSSI.

TABLE 4: MSME CRITERIA

Criteria	Micro		Small		Medium	
	Existing	Revised	Existing	Revised	Existing	Revised
Employment	1–5	1–5	6–29	6–30	30–99	31–100
Turnover	N/A	< $25,000	N/A	< $1 million	N/A	< $3 million
Assets	< $10,000	< $25,000	< $100,000	< $1 million	< $1 million	< $3 million

The lack of a clear and universally accepted definition of SMEs among GOG entities and private sector organizations undermined the efficacy, accuracy, and reliability of statistics related to the size, role, and contribution of SMEs in the economy. This in turn raised the question of whether PFG interventions were the most appropriate to improve SMEs' access to credit and provide reliable and accurate metrics to measure progress and results. For example, one respondent from Apex Bank indicated that the bank's definition of nonperforming loans was different from that used by the BoG. Similarly, the scorecards measured the number of individuals employed by SMEs but not the number and volume of loans extended to SMEs, which were key measures of SMEs' access to credit. Without a common definition of SMEs, it was unclear exactly what was being measured or whether the metrics used were the most relevant to determine progress against key objectives.

During the final evaluation, the PFG secretariat informed the evaluation team that MOTI was in the process of formulating an SME policy based on extensive stakeholder consultation. The policy would incorporate the definition of SMEs and the formation of an SME apex body. Concurrently, MOBD informants indicated that MOBD, a relatively new ministry, expected to play a central role in SME and business development processes, although MOTI also had various departments that could serve the same role. NBSSI's executive director also indicated to the evaluation team that her unit expected to be mandated as the SME apex body, and multiple studies recommended that NBSSI serve this role. It was therefore not clear whether MOTI, MOBD, or NBSSI would take the lead on SME policy.

Conclusions

Assessing Impact in the Face of Crises

The credit and power crises that grew out of Ghana's fiscal crisis highlighted two areas of ambiguity. The positive movement of many indicators suggested that Ghana was making headway against the two constraint areas under challenging circumstances. However, there was no way to know whether the credit and power crises would have impelled the pursuit of goals and LOAs similar to the ones outlined in the JCAP even without PFG. Overall, although PFG certainly enabled increased focus on specific aspects of the two constraint sectors, there was consistent agreement across all interviewees that the crises in those sectors added a much more substantial sense of urgency than would have otherwise been the case. PFG was clearly successful in identifying two of Ghana's most pressing constraints to economic growth and contributing to their reduction through improved cooperation and data sharing for data-driven decision-making.

Limitations of USG Activities

Since the power sector and the banking industry in Ghana were both heavily shaped by institutions that were either direct branches of the GOG or parastatal organizations, the GOG's policies and practices were and would continue to be the most critical factors affecting the two principal constraints. Ghana's 2011 reclassification as a middle-income country made this point even more important, and the priorities established in the JCAP indicated that USG actions could not, and should not, presume to be the deciding factors in bringing about positive change in these areas. PFG's facilitation of improved data collection and information sharing practices appeared to be a way that the USG could strengthen the GOG decision-making processes while maintaining an equitable partnership.

EVALUATION QUESTION 3

What best practices and lessons can be learned from the PFG approach to: 1) apply to the bilateral relationship in Ghana, and 2) apply to future USG assistance efforts worldwide?

Best Practices and Lessons Learned from PFG Successes

Convening: All interviewees cited PFG's success in bringing all relevant stakeholders to work together in identifying key constraints, developing the JCAP and LOAs, and pursuing activities to resolve the constraints. The key to achieving this success — unprecedented high-level GOG and USG leadership and a cooperative approach to identifying economic growth constraints and setting goals — will also be key to continuing that success moving forward.

Coordination: An important component of PFG's success was the establishment of the secretariat to coordinate PFG activities. PFG needed a central coordinating unit to arrange meetings, inform participants of the meetings, collect information on activities, serve as the liaison between the JSC and the TWGs, and generally ensure that PFG activities ran smoothly. Without this body, it is unlikely that PFG would have maintained its robust level of activity.

Data collection and sharing: Another PFG highlight was its M&E system, including M&E training and support for the technical committees, the secretariat, and participating agencies, particularly on the power side. The resulting improved practices around data collection and sharing enabled greater data-driven decision-making, particularly for the power sector.

FinGAP as a WGA participation model: The involvement of FinGAP as a funding source for some PFG activities, including the provision of financial guarantees, co-financing of advisory services, capacity building, and research, enhanced the ability of the credit sector to achieve some of its notable nonpolicy success highlights. This demonstrated a useful bridge between the WGA and the unfunded mandate, as FinGAP was already pursing the objectives that were closely aligned with one of PFG's two principal constraints. By explicitly and successfully committing a portion of its own budget to work that directly supported one of the JCAP goals, FinGAP suggested that new funding streams are not always necessary.

Project awareness: Discussions with high-level PFG leadership across multiple ministries and other institutions revealed a broad awareness of PFG-related activities being conducted outside of the interviewees' individual sectors. This suggested that the JSC and the TWGs could serve as useful venues for raising awareness of pilot projects and proofs of concept across organizations. Power sector actors could see FinGAP's approach to bridging the lender/borrower gap, and the Ministry of Energy's steps toward multisource, bid-based procurements and away from single-source procurements could also have relevance for credit sector actors looking for ways to do more with less.

Lessons Learned from PFG Shortfalls and Missed Opportunities

Limited financial support and training: Funding and training limitations negatively affected the ability of PFG and the TWGs to apply themselves fully to M&E activities, particularly in the credit sector. The lack of funding to undertake access to credit activities adversely affected the achievement of results in that sector, even though GOG ministries used their budgets to facilitate the drafting and passing of several laws and regulatory and structural reforms to improve financial sector structure and supervision. More could have been achieved with direct, targeted funding. The lack of funding for PFG participants also adversely affected their enthusiasm and participation, leading to waning support and buy-in over the life of PFG.

Cooperation and coordination only at the higher levels: While PFG's convening power contributed to greater coordination and improved decision-making at the higher-level JSC meetings, the evaluation team found in interviews with participants that information tended not to flow from the top to the middle and lower levels of participating agencies, especially under the credit constraint. This adversely affected knowledge sharing throughout participating organizations and resulted in poor implementation of decisions and recommendations taken at the JSC level.

Weak private sector participation: PFG lacked a formal strategy to bring in private sector actors and civil society organizations to increase publicity and buy-in for the WGA. While some private sector participants (e.g., Association of Ghana Industries) were involved at the beginning, there was no concerted effort to bring them in as full partners to participate throughout the PFG process.

No definition for SMEs: Given the emphasis of the PFG credit constraint on SMEs' access to finance, it would have been very helpful if the USG and GOG had established a universal definition of SMEs in the Ghanaian context at the outset of the partnership. This would have enabled the collection of pertinent information on PFG's impact on SMEs and the development of a more nuanced strategic policy for improving SME credit access in Ghana. There were no indicators in the scorecards to measure PFG's impact on SMEs.

Gender issues: PFG did not explicitly incorporate gender issues, which resulted in a lack of information on PFG's effects on women and girls. Although many of the projects connected to PFG had elements that were responsive to gender concerns, there was no mechanism for integrating that into the PFG reporting chain.

Next Steps for PFG in Ghana

Recommendations for PFG Year 5

There is still work to be done in PFG's last few months. First, the USG and GOG should **formulate a clear exit strategy and sustainability plan for PFG**. Most respondents expressed a desire that the partnership be extended, as most of the goals (especially on the credit side) have not been realized due to a lack of dedicated funding for activities apart from FinGAP and recent assistance from a few other development partners (the State Secretariat for Economic Affairs, the United Nations' International Fund for Agricultural Development, and the Italian Government).

Given the previously mentioned benefits of established sectoral indicators and common metrics, the PFG TWGs should **take steps to preserve and more fully institutionalize the collecting and reporting practices for these indicators**. Furthermore, the TWGs should work to **harmonize any indicators that are not yet clearly defined or consistently measured**.

To ensure that lessons learned from PFG participants over the past several years are not lost, PFG should **consider convening at the end of PFG all USG and GOG personnel** who have been actively participating in the partnership. Not only would this enable a sharing of ideas and experiences, but it would also allow for revisiting the current JCAP to see what aspects of it were ultimately most and least relevant, laying the groundwork for incorporating those lessons into continued practice beyond PFG.

PFG in Ghana Beyond 2018

Participants in PFG expressed interest in keeping the partnership's convening platform intact in some form, and elements of PFG are already being carried forward. The new Ghanaian administration appears to have accepted the outcomes of several of the key PFG studies (e.g., Gas Master Plan, Power Sector Master Plan) and incorporated them into formal policy. The use of international competitive bidding for the future procurement of power (informed by successful outcomes of ECG and Bui Solar projects) has shown value and will likely continue beyond PFG.

Given PFG's successes in bringing together key decision-makers and implementers from various GOG and private sector actors to find solutions to key constraints related to power and credit, the WGA could be adopted to resolve other constraints to economic development. For example, interviewees suggested that this strategy could be used to resolve land tenure and trade facilitation issues. Some GOG respondents also appear willing to use the WGA as a model for future donor collaboration beyond the USG-GOG relationship.

Almost every respondent raised the issue of funding, including the funding of the secretariat as an organizing body, funding for activities needed to achieve the various goals, and funding to support M&E activities and data sharing, as noted below.

- The secretariat has exhausted its initial funding, and it needs additional funding to effectively play its role of coordinating the PFG process and to undertake other activities such as organizing training programs and workshops for the technical committees. It would also likely need funding to provide incentives such a transport allowances and honoraria to encourage participants to attend and contribute to PFG meetings.
- Other funding agencies, such as the World Bank and the African Development Bank, may be able to assist with expanded funding to address the two constraints and related goals. Some interviewees suggested that the GOG come up with some of the funding to demonstrate its commitment before approaching other funding agencies for assistance. Other respondents indicated that since PFG was a bilateral USG-GOG engagement, it would not be easy to get other development agencies to provide funding. However, the secretariat provided examples in which MOFEP, with support from the International Fund for Agricultural Development and the Italian Government, conducted financial literacy campaigns in all 10 regions of Ghana. It is therefore possible to bring together different funding agencies to undertake some activities identified by PFG and FINSSP II.

To improve the M&E system and the quality, reliability, and validity of scorecard information in the credit sector, PFG should **consider expanding the mandate of METSS** to include the provision of services to the credit sector as well as the power sectors. Capacity building and training must be provided not only to secretariat staff on M&E, but also to TWG members and participating agencies. This will ensure that everyone collecting and sharing data on PFG results through the scorecards understands the need for quality information to support effective decision-making, policy formulation, and planning.

Any future PFG activity will need to **clarify overlapping mandates between heads of relevant ministries and institutions** to avoid duplication of efforts and turf wars related to SMEs. While most interviewees indicated that NBSSI's mandate would be amended to provide services to SMEs in addition to microenterprises, which have been its sole client base thus far, others suggested that NBSSI does not presently have the capacity and resources to extend its services to SMEs or act as the apex body for MSMEs. MOBD's role is not yet clear on this issue, and respondents and project documents indicated that MOTI is developing a policy to address this issue. It is critical that the apex body is set up as soon as possible and that adequate human resources and funding are provided so it can play an effective role. With less than a year left on PFG, this is extremely important as efforts to strengthen the role of SMEs in the Ghanaian economy will be squandered if there is no central coordinating body to ensure clear policy directions and implementation strategies for the sector.

There is also a need to **integrate mid- and junior-level officials, along with technical specialists from the GOG and other participating agencies, into the PFG decision-making process**. The PFG midterm evaluation observed that those participants lack understanding, involvement, and buy-in of the process. This is important as they, rather than the high-level decision-makers, would implement any decisions taken at the JSC level. PFG must **improve the information flow from the high-level JSC to lower-level technical specialists and then to implementers**.

Similarly, PFG should **assign responsibility for the implementation of JSC recommendations and hold people accountable**. This could be achieved by incorporating the achievement of PFG recommendations and objectives into the performance contracts of sector ministers and heads of agencies involved in PFG implementation. Ministerial responsibilities related to the JSC must be made explicit and should not be delegable to subordinates, as this undercuts the credibility and accountability of the JSC.

Adapting or Applying PFG to Other Countries

While this section separates recommendations and lessons learned that are Ghana-specific from those that are for more general USG assistance worldwide, these are not mutually exclusive categories. In addition, there are no plans to undertake new manifestations of PFG in other countries,[19] and PFG has largely drawn to a close.[20] Nonetheless, several elements of PFG may be considered for adaptation and implementation in other USG assistance contexts. In fact, the use of a CA as a precursor to the country-specific development planning phase has already become more common within USAID, with nearly 40 country-specific CAs completed since PFG's initial development. The application of the CA, particularly in conjunction with the subsequent bilateral development of a JCAP, appears to be a useful process for securing commitment and buy-in from host country leadership. This need not be an alternative to, or even an explicit augmentation of, the existing Country Development Cooperation Strategy, but rather a means to secure unified action within a single sector or a set of related sectors, as it was for Ghana's energy sector. By ensuring that both host and donor countries are aware of the priorities and the range of group activities, new forms of collaboration become possible, and stakeholders can reduce redundancies.

In terms of the WGA component of PFG, the experience in Ghana was closer to what might be described as a whole-of-sector approach. Several other development and assistance areas supported by the USG in Ghana (e.g., health, education, and natural resource management) were only tangentially connected, or even entirely unconnected to the PFG process. Agriculture and nutrition programs were

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19 Based on conversations with the originators of the PFG framework.

20 There is discussion of a possible two-year extension to PFG in Ghana, but no expansion or extensions are currently expected in other locations.

only tangentially related through FinGAP and other activities related to credit provision for the agribusiness sector. This contrasted significantly with PFG in El Salvador, where nearly all USG development activity in that country was tied to PFG in some fashion.

The relevance and adaptability of the PFG model is clearly tied to contextual and policy factors. Not only are the demographic and geographic realities of Ghana and El Salvador substantially different, but the issue of prioritization should also be considered. In El Salvador, PFG was the preeminent U.S. initiative active for much of its life cycle. Ghana, by contrast, had multiple presidential initiatives active simultaneously, largely in the form of funded mandates as opposed to PFG's nonprogram assistance.

The final evaluation of PFG in the Philippines will further examine the broader application of the PFG approach. The evaluation team anticipates that a review of the successes and challenges encountered in these three countries will shed light on what elements of PFG are best suited for adaptation and application in other locations.

ANNEX I: EVALUATION STATEMENT OF WORK

Final Performance Evaluations of the
Partnership for Growth in El Salvador, the Philippines, Ghana, and Tanzania

1. Background on the PFG

The Partnership for Growth (PFG) seeks to leverage United States government (USG) resources in support of a shared development program delivering accelerated, sustained, and broad-based economic growth in partner countries. It involves rigorous joint analysis to identify constraints to growth, the development of Joint Country Action Plans (JCAPs)[21] to address these constraints, and high-level mutual accountability for implementation. PFG employs a 'whole-of-government' approach that includes USAID, the U.S. Department of State (State), the Millennium Challenge Corporation (MCC), and other USG agencies, as well as host country governments. Currently, PFG is being implemented in four partner countries: El Salvador, the Philippines, Ghana, and Tanzania.

In November 2011, the USG and the Government of El Salvador (GOES) signed a JCAP that targeted two primary constraints to economic growth in El Salvador, 1) Crime and Insecurity, and 2) Low Productivity in Tradables, and established 20 goals aimed at easing those constraints. Each goal is associated with multiple lines of action (LOAs) to be undertaken by the GOES and the USG. It is believed that carrying out the agreed-upon LOAs will lead to goal achievement, which, in turn, will mitigate the effects of currently binding constraints and accelerate and sustain El Salvador's rate of broad-based, inclusive economic growth. The JCAP process continued with the signing of a Joint Statement of Principles in the Philippines in November 2011, a Joint Statement of Principles in Ghana in March 2012, and a JCAP in Tanzania in April 2012. PFG activities in El Salvador will be the first to conclude, in late 2016, followed by the Philippines. Tanzania will conclude in early 2017, and (due to an initial delay in implementation) Ghana will be finished in early 2018.

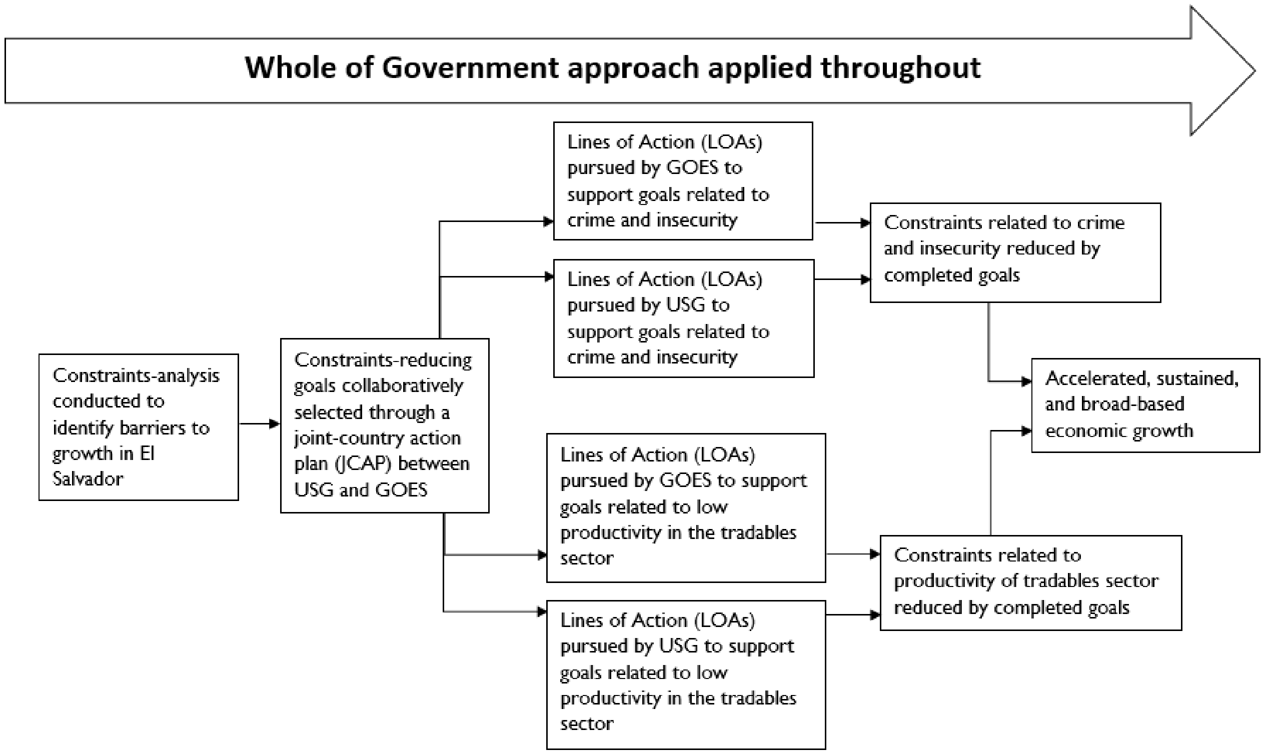
2. Development Hypothesis

PFG embodies the principles set down in the September 2010 Presidential Policy Directive on Global Development. The initiative is based on a shared commitment to implementing the key institutional and regulatory reforms required for unleashing private investment. One of PFG's signature objectives is to engage governments, the private sector, and civil society with a broad range of tools to unlock new sources of investment, including domestic resources and foreign direct investment. By improving coordination, leveraging private investment, and focusing political commitment throughout both governments, PFG enables partners to achieve better development results.

Figure 1 shows an illustrative theory of change (ToC) diagram for PFG in El Salvador. This diagram shows the processes and resulting activities that make up the PFG approach, beginning on the left side with a constraints analysis that leads to the countries collaboratively selecting goals and then identifying LOAs to be pursued through a JCAP, to support key goals that are intended to address identified constraints that impede accelerated, sustained, and broad-based economic growth. The evaluation team will review and consider the relevant ToC throughout the design and implementation of each country-specific evaluation.

21 In Ghana, a similar "Joint Statement of Principles" was signed instead of a JCAP.

FIGURE 1: SAMPLE THEORY OF CHANGE SHOWING PFG OBJECTIVES IN EL SALVADOR



3. Existing Information Sources

The Office of Economic Policy in USAID's Bureau for Economic Growth, Education, and the Environment (USAID/E3/EP) has shared PFG midterm evaluation reports for all four countries as well as two evaluation synthesis reports with the evaluation team. These documents, along with Constraints Analyses, JCAPs, and current project scorecards for all of the PFG countries are publicly available on the website of the U.S. State Department,[22] the websites of the U.S. Embassies in all four countries, and in some cases, the website of the partner country government (e.g., GOES).

It is expected that USAID will need to provide the evaluation team with electronic copies of country-level programmatic data related to LOAs as well as activity-level documentation and data prior to the initiation of data collection activities. Other relevant documentation will be provided by USAID or acquired by the evaluation team based on its appropriateness to the proposed evaluation design. The evaluation team may also need to conduct interviews with senior USG and host-country leadership to acquire information on processes not reflected in programmatic documents.

4. Purpose, Intended Uses, and Audiences

As part of PFG's commitment to analytical rigor and accountability, USAID is commissioning final performance evaluations of PFG in El Salvador, the Philippines, Tanzania, and Ghana. These country-specific evaluations will be carried out by a single mechanism (the E3 Analytics and Evaluation Project), with separate Statements of Work (SOWs) and Evaluation Design Proposals to be developed for each evaluation to ensure relevance for each country. Following the completion of all four country-specific

22 http://www.state.gov/e/eb/ifd/odf/pfg/countries/

evaluations, a synthesis report analyzing and comparing findings and lessons learned across the country-specific evaluations will be also be produced. The synthesis report will produce overall learning from the combined experiences of PFG implementation across all four countries.

Purpose and Intended Uses

With the PFG performance period coming to an end, final evaluations are needed to ensure that valuable experiences and lessons learned from PFG implementation can be utilized in future development efforts as well as in wider applications. USAID intends to learn whether PFG demonstrates improvements over pre-PFG engagement and assistance approaches; in particular, the extent to which PFG's whole-of-government engagement on policy issues, host country commitments and partnership through the JCAP, and the overall constraints analysis approach led to a change in the effectiveness of bilateral engagement and whether these changes demonstrated improvements in the operational efficiency, selection, coordination, design, and management of development and other activities, as well as interagency and bilateral coordination. And, did this ultimately increase the probability that efforts included in the JCAP achieved verifiable results leading to higher growth rates? The evaluations will especially aim to capture how PFG goes beyond assistance by focusing on partnership, bilateral engagement, and other non-traditional tools, and what effect this has had on the bilateral relationship, development, and other activities.

The PFG evaluations also satisfy accountability requirements by producing findings and conclusions about the effectiveness of PFG programming in meeting intended country-specific goals.

Audiences

The primary audiences for the PFG evaluations include decision makers across USAID/Washington, the four U.S. embassies and USAID country missions, State, MCC, and other USG agencies. Lessons learned will be of interest to a range of stakeholders including USAID staff, other USG agencies participating in PFG, relevant ministries and officials in each PFG country, other donors, civil society organizations, academia, and potential funding partners in the private and philanthropic sectors.

5. Evaluation Questions

1. What has been the overall impact[23] of PFG in the partner country, and how did the various lines of action contribute to this outcome?
2. How did the PFG approach affect the bilateral relationship – including USG and host government program implementation and dialogue – in each partner country, both in intended and unintended ways?
3. What best practices and lessons can be learned from the PFG approach to: 1) apply to the bilateral relationship in the partner country, and 2) apply to future USG assistance efforts worldwide?

Prior to the finalization of the Evaluation Design Proposal, USAID and the evaluation team will discuss the relative prioritization of these EQs.

6. Gender and Youth Considerations

In the context of USAID guidance and policies, including its Gender Equality and Female Empowerment Policy and Automated Directives Systems (ADS) 203.3.1.5, project designs, performance monitoring, and evaluations are expected to adequately address gender concerns. The specific ways in which gender will be taken into account for this evaluation should be addressed in the evaluation team's Concept

23 The term "impact" is used here to refer to results that flow from specific interventions, but this is not an "impact evaluation" as USAID defines that term, which would require a counterfactual that demonstrates what would have occurred in the absence of the intervention.

Paper and Evaluation Design Proposals. It will be particularly important to consider how gender issues were accounted for in the JCAPs and LOAs, how the role of gender in broad-based economic growth was accounted for by the PFG approach, and how gender-differential access to the levers of economic progress is accounted for by PFG processes. Similarly, the evaluation team's Concept Paper and Evaluation Design Proposals should consider ways in which youth will be taken into account for this evaluation, given the identified constraints for PFG in each country. The data collection and analysis will be disaggregated by sex and age, as appropriate.

7. Evaluation Design and Methods

The evaluation team responding to this SOW shall submit an overarching PFG final performance evaluation Concept Paper describing design options for addressing USAID's evaluation questions across all four PFG countries, to ensure that findings and conclusions from these evaluations are evidence-based and relevant for the needs of key decision makers as identified in the previous section. The evaluation team will then develop an El Salvador-specific Evaluation Design Proposal, after options from the Concept Paper are discussed and selected. USAID expects that the El Salvador-specific Evaluation Design Proposal will be the first of four country-specific Evaluation Design Proposals, all of which are expected to follow a common rubric in responding to USAID's SOW for each country-specific evaluation. The Evaluation Design Proposal should clearly and logically discuss the selected design options and specify the proposed data collection and analysis methods as well as sampling plan appropriate for responding to the EQs, on a question-by-question basis.

The Concept Paper and each of the country-specific Evaluation Design Proposals should also address how data collection activities for each country will inform the multi-country synthesis report, comparing country context, results, and implementation across PFG countries to identify broad lessons learned.

8. Data Collection and Analysis Methods

The Evaluation Design Proposals should identify specific data collection and analysis methods appropriate for answering each EQ and clearly and logically explain why these methods are the most appropriate for each question. Proposed data analysis methods should be justified in terms of their fit with the data collected for each EQ and the types of answers that USAID seeks. Time and cost considerations are also important in this area.

9. Strengths and Limitations

Identification of the strengths and limitations of the proposed evaluation design options will be included in the Concept Paper, while country-specific strengths and limitations will be included in each Evaluation Design Proposal. When presenting data in its evaluation reports the evaluation team should discuss the limitations of such data for the relevant conclusions drawn by the evaluation.

10. Deliverables and Reporting Requirements

The table below outlines a sequence of deliverables for the El Salvador PFG final performance evaluation. The same general sequence is envisioned for each of the other three country-specific evaluations, with the exception of the Concept Paper that is only required to be submitted one time, at the outset of evaluation activities for El Salvador. The evaluation team should propose estimated due dates for deliverables for each country-specific evaluation in the respective Evaluation Design Proposal for that evaluation.

Deliverable – El Salvador	Estimated Due Date
1. Concept Paper, including preliminary design options for the PFG evaluations across all four countries	30 days after USAID approval of SOW
2. Evaluation Design Proposal for El Salvador, including description of the evaluation methodology, drafts of data collection instruments, sampling plan (as appropriate), work plan, team composition, and estimated budget	30 days after USAID approval to move forward with preparing Evaluation Design Proposal
3. In-brief for El Salvador Mission to launch in-country phase of evaluation	As agreed with USAID/E3/EP and appropriate Mission staff
4. Out-brief for El Salvador Mission prior to field team's departure (tentative)	As agreed with USAID/E3/EP and appropriate Mission staff
5. Draft Evaluation Report for El Salvador	To be proposed by the evaluation team in its Evaluation Design Proposal
6. Oral presentation(s) in Washington of findings, conclusions, and recommendations for USAID and its invitees	As agreed with USAID/E3/EP and appropriate Mission staff
7. Final Evaluation Report for El Salvador	21 days after receipt of USAID feedback on Draft Evaluation Report
8. Presentation in Washington of Final Evaluation Report for USAID and its invitees	As agreed with USAID/E3/EP and appropriate Mission staff

All documents will be provided electronically to USAID no later than the dates indicated in the approved Evaluation Design Proposal. Qualitative and quantitative data will be provided in electronic format to USAID in a format consistent with Automated Directives System (ADS) 579 requirements. All debriefs will include a formal presentation with slides delivered both electronically and in hard copy for all attendees.

Prior to the submission of the Evaluation Design Proposal, the evaluation team will discuss with USAID whether its preliminary dissemination plan for this evaluation indicates other deliverables that should be prepared, such as translation of specific documents and presentations into local language(s) and additional presentations or workshops. Such additions as agreed with USAID will then be included in each Evaluation Design Proposal.

11. Team Composition

Each evaluation will be delivered by a core evaluation team and may be supported by additional evaluation specialists, subject matter experts, in-country researchers, and project management specialists. The Evaluation Design Proposal will include proposed roles and team members for this evaluation, including CVs for core evaluation team members. Evaluation team members will sign USAID's conflict of interest statement before conducting any field research. Illustrative qualifications for evaluation team members are provided below.

- **Team Leader/Evaluation Specialist:** A Team Leader/Evaluation Specialist with extensive experience leading multi-disciplinary teams conducting field evaluations of medium- to large-sized activities will oversee the evaluation implementation process including field data collection, analysis, and report preparation. The Team Leader should have demonstrated knowledge and application of evaluation best practices as well as subject matter relevant to their evaluation (e.g., economic analysis, economic development, anti-corruption, energy). The Team Leader should hold at least a master's degree with at least 10 years of experience as an evaluation team leader or team member with past experience in the country of interest strongly preferred. For the El Salvador PFG evaluation, the Team Leader should be fluent in Spanish.

- **Subject Matter Experts:** One or more Subject Matter Experts will provide technical expertise and guidance on the evaluation team on topics relevant to their evaluation, (e.g. the mobilization of private sector and foreign direct investment or criminal justice reform in El Salvador). Preference should be given to host country nationals. They shall have familiarity with the relevant literature in their technical area and hold an advanced degree in a relevant field, with at least 5 years of experience in their technical sector including experience working on evaluation teams.
- **Researchers:** Researchers supporting the evaluation team's data collection and analysis efforts shall have a minimum of a Bachelor's Degree and at least three years of experience conducting research for evaluations or similar studies. They shall have excellent analytical and report writing skills and proven experience with carrying out semi-structured interviews.
- **Activity Coordinator:** An Activity Coordinator is expected to help coordinate, support, and oversee the evaluation team's efforts across the required tasks to ensure their successful completion. The Activity Coordinator should hold at least a bachelor's degree with at least two years of relevant research experience.
- **Local Logistician:** A Local Logistician may provide administrative and logistical support to the evaluation team, including arranging for transportation, communication, purchase of materials, completion of paperwork, and similar tasks during in-country research.

Additionally, one or more team members should have experience in evaluation methods that address gender and knowledge of gender issues in the relevant sectors.
Home Office support from the mechanism under which this evaluation will be conducted will include technical guidance, research assistance, administrative oversight, data analysis, and logistical support. Additional support staff may be required based on the specifications of each Evaluation Design Proposal.

12. USAID Participation

An interactive and collaborative process is envisioned between the evaluation team, USAID/E3/EP and other relevant offices within USAID/W, each USAID Mission, and the USG interagency to carry out this evaluation. This is expected to include regular consultation with key points of contact from USAID/E3/EP, as well as open lines of communication with the respective Mission. USAID participation in evaluation activities such as data collection will be considered prior to the initiation of field research in each country.

13. Schedule and Logistics

The PFG evaluations are tentatively expected to follow the following sequence:

El Salvador PFG evaluation begins	May 2016
Philippines PFG evaluation begins	January 2017
El Salvador PFG evaluation completed – draft report submitted	November 2016
Tanzania PFG evaluation begins	September 2017
Philippines PFG evaluation completed – draft report submitted	July 2017
Ghana PFG evaluation begins	TBD[24]
Tanzania PFG evaluation completed – draft report submitted	March 2017
Ghana PFG evaluation completed – draft report submitted	TBD
Cross-cutting PFG report completed	TBD

Tasks for the El Salvador PFG final performance evaluation are expected to be completed between approximately May and December 2016. Detailed timelines for each main evaluation task will be proposed in the Evaluation Design Proposal for each country based on further consultation with USAID.

Figure 2 provides an illustrative Gantt chart for the El Salvador PFG final performance evaluation, showing the general anticipated timeline for this evaluation.

It is anticipated that the evaluation team will be responsible for procuring all logistical needs related to this SOW, such as work space, transportation, printing, translation, and any other forms of communication. USAID will offer some assistance as appropriate in providing introductions to partners and key stakeholders as needed, and will ensure the provision of data and supporting documents as required.

24 Because PFG in Ghana does not conclude until February 2018, and the mid-term PFG evaluation for Ghana has only recently been completed, the timing of the Ghana evaluation (and the subsequent final cross-cutting evaluation report) will require additional consultation with USAID/E3/EP and USAID/Ghana.

FIGURE 2: ILLUSTRATIVE SCHEDULE FOR EL SALVADOR PFG FINAL PERFORMANCE EVALUATION

Task	May		Jun		Jul		Aug		Sep		Oct		Nov		Dec	
	15	28	15	30	15	31	15	31	15	30	15	31	15	30	15	31
Preparation and Design																
Finalize SOW with USAID/E3/EP and El Salvador Mission																
GOES and USG Interagency Buy-in for SOW																
Develop Concept Paper																
Develop Evaluation Design Proposal																
Data Collection, Analysis, and Reporting																
Desk Review																
Mission In-brief on arrival																
Field Work Preparation and Field Work																
Out-brief to El Salvador Mission																
Data Analysis																
Draft Evaluation Report																
Presentation of Findings, Conclusions, and Recommendations																
Final Evaluation Report Based on Feedback Provided																
Presentation of Final Evaluation Report																

14. Reporting Requirements

The format of each evaluation report should follow USAID guidelines set forth in the USAID Evaluation Report Template (http://usaidlearninglab.org/library/evaluation-report-template) and the How-To Note on Preparing Evaluation Reports (http://usaidlearninglab.org/library/how-note-preparing-evaluation-reports). The reports will be submitted in English. Copies of the final evaluation reports will be delivered to the USAID Development Experience Clearinghouse (DEC) by the contractor within 30 days of USAID's acceptance of the final evaluation report and approval to post it on the DEC (https://dec.usaid.gov/dec/home/Default.aspx).

All members of the evaluation teams will be provided with USAID's mandatory statement of the evaluation standards they are expected to meet, shown in the text box below, along with USAID's conflict of interest statement that they sign where necessary before field work starts.

USAID EVALUATION POLICY, APPENDIX 1
CRITERIA TO ENSURE THE QUALITY OF THE EVALUATION REPORT

- The evaluation report should represent a thoughtful, well-researched and well organized effort to objectively evaluate what worked in the project, what did not and why.
- Evaluation reports shall address all evaluation questions included in the scope of work.
- The evaluation report should include the scope of work as an annex. All modifications to the scope of work, whether in technical requirements, evaluation questions, evaluation team composition, methodology or timeline need to be agreed upon in writing by the technical officer.
- Evaluation methodology shall be explained in detail and all tools used in conducting the evaluation such as questionnaires, checklists, and discussion guides will be included in an Annex in the final report.
- Evaluation findings will assess outcomes and impact on males and females.
- Limitations to the evaluation shall be disclosed in the report, with particular attention to the limitations associated with the evaluation methodology (selection bias, recall bias, unobservable differences between comparator groups, etc.).
- Evaluation findings should be presented as analyzed facts, evidence and data and not based on anecdotes, hearsay or the compilation of people's opinions. Findings should be specific, concise and supported by strong quantitative or qualitative evidence.
- Sources of information need to be properly identified and listed in an annex.
- Recommendations need to be supported by a specific set of findings.
- Recommendations should be action-oriented, practical, and specific, with defined responsibility for the action.

Data Management

In October 2014, USAID announced its first ever open data policy, Automated Directives System (ADS) 579 – USAID Development Data. The storage and transfer of data collected for this evaluation will adhere to the requirements laid out in USAID's ADS 579.[25] Evaluation teams should also follow applicable Institutional Review Board guidance on data security and confidentiality. Final datasets should be submitted to USAID's Development Data Library in a format consistent with ADS 579.

15. Estimated Budget

In its Concept Paper, the evaluation team should identify cost implications of the methodological options described. Full detailed budgets considering costs required to complete all tasks for each PFG evaluation should then be prepared and included in each Evaluation Design Proposal for USAID's approval.

25 See http://www.usaid.gov/sites/default/files/documents/1868/579.pdf

ANNEX II: GETTING TO ANSWERS MATRIX

The table below indicates the data sources, data collection, and data analysis methods used to address each EQ for this evaluation.

EQ	Evidence Needed	Data Sources	Data Collection Methods	Sampling Approach	Data Analysis Methods
EQ1	• Description • Comparison	• Staff from stakeholder organizations • PFG documents • PFG beneficiaries • Economic indicators	• Desk review of performance data and goal outcome measures • KIIs	• Quota sampling • Proximity sampling	• Content analysis
EQ2	• Description • Explanation	• Staff from stakeholder organizations • PFG documents	• KIIs	• Quota sampling • Typical case sampling	• Content analysis • Process mapping
EQ3	• Description • Comparison • Explanation	Same as EQs 1 and 2	• Supplied by EQ1 and EQ2 data collection	Same as EQs 1 and 2	• Content analysis

ANNEX III: DOCUMENTS AND DATA REVIEWED

Documents produced by the desk review

- Scorecard inventory organized by goal
    - Sources: scorecard reports and power points
- Line of action and indicator inventory
    - Sources: JCAP and M&E addendum
- List of program contacts as a baseline for fieldwork interview sample
    - Sources: project documents and IDG background information
- MCC Compact II and USAID-FinGAP program indicator spreadsheet
    - Sources: program documents

Reviewed Documents – 118

IDG Research Data - 5

- Final-List of Interviewees_Ghana_Finance
- Ghana Interview Notes_Richard Chen_20 March 2016
- List of Interviewees_Ghana_Power
- Online Survey_Analysis_Ghana PFG
- PFG Ghana Interviewee List and Contact Information

IDG Evaluation Design Documents - 3

- Ghana Interview Guide 3-USAID-Richard Chen_20 March 2016
- PFG Mid-term Evaluation: Ghana and Tanzania Inception Report and Preliminary Evaluability Assessment_11 March2015 -doc
- PFG Mid-term Evaluation: Ghana and Tanzania Inception Report and Preliminary Evaluability Assessment_11 March2015 -pdf

IDG Local Support Recommendations - 2

- Awotwi, Kweku_CV
- Peprah, Ignatius_CV

IDG Background Documents - 6

- MCC Ghana Compact II Executive Summary Concept Papers_12 October 2012
- An Examination of the Determinants of Interest Rate Spreads in Ghana_Presentation by CEPA_ 16 March 2015
- Toward a New Paradigm of Sustainable Development: Lessons from Partnership for Growth_Jensen CSIS_September 2013
- Diagnostics Before Prescription_Rodrik_Summer 2010
- Doing Growth Diagnostics in Practice: A mindbook_Hausmann et al. September 2008
- Gendered Perspectives on Economic Growth and Development in Sub-Saharan Africa_March 2014

Ghana Economy - 3

- Ghana Economic Review and Outlook CEPA 2013

- IMF Extended Credit Facility 2015-2017_Year 1 review
- IMF Extended Credit Facility 2015-2017_Year 2 review

Ghana Background Reference - 6

- Ghana IMF Article IV Consultation Staff Report, Press Release, and Statement by the Executive Director for Ghana_May 2014
- IMF Ghana Poverty Reduction Strategy Report Vol 1 2012
- IMF Ghana Poverty Reduction Strategy Report Vol 2 2012
- USAID Ghana_Country Development Cooperation Strategy_2013-17
- IMF Ghana: Joint Staff Advisory Note on Poverty Reduction Strategy Paper 2012
- MCC Ghana Compact II Concept Papers_19 October 2012

PFG Program Documents - 7

- Ghana PFG Constraints Analysis_August 2011
- PFG Ghana Monitoring and Evaluation Addendum to JCAP
- PfG Ghana Midterm Report_18 March 2016
- PFG Ghana Organizational Chart
- PFG_Ghana Joint Country Action Plan_1 February 2013
- US-Ghana PFG Joint Statement of Principles
- PFG Ghana Interagency Land Tenure Working Group Analysis and Recommendations on Constraints Analysis

Credit Documents - 7

- PFG Ghana Access to Credit Indicators
- PFG Ghana Credit Year Two Work Plan
- PFG Ghana Access to Credit Indicators Updated _4 March 2015
- Financial Sector Strategic Plan II (FINSSP_II)_FINAL_16 June 2011
- Financial Sector Strategic Plan II (FINSSP_II)_April 2012
- PfG - minutes of march 26 2014 meeting Final (5)
- PFG Ghana Credit Year Two Work Plan_2014 FINAL

Credit Documents: FinGAP - 16

- Financing Ghanaian Agriculture Project (FinGAP) Monitoring and Evaluation Plan - Reviewed-October 2013
- USAID Financing Ghanaian Agriculture Project (FinGAP) Year 1 work plan_24 July 2013-30 September 2014
- USAID Financing Ghanaian Agriculture Project (FinGAP) Quarterly Progress Report #1 (July - December 2013)
- USAID Financing Ghanaian Agriculture Project (FinGAP) Quarterly Progress Report #2 (January -March 2014)
- USAID Financing Ghanaian Agriculture Project (FinGAP) Quarterly Progress Report #3 (April-June 2014)
- USAID Financing Ghanaian Agriculture Project (FinGAP) Quarterly Progress Report #5 (October-December 2014)
- USAID Financing Ghanaian Agriculture Project (FinGAP) Quarterly Progress Report #6 (January – March 2015)

- USAID Financing Ghanaian Agriculture Project (FinGAP) Quarterly Progress Report #7 (April – June 2015)
- USAID Financing Ghanaian Agriculture Project (FinGAP) Year 2 Work Plan: October 2014-September 2015
- Feed the Future Agriculture Policy Support Project_Year 3 Draft Work Plan_1 September 2015
- USAID/Ghana Financing Ghanaian Agriculture Project (FinGAP) briefer
- USAID Ghana Gender Impact Analysis (FinGAP)_July 2015
- SADA-Districts-Agribusiness-Investment-Opportunities_March 2015
- USAID Financing Ghanaian Agriculture Project (FinGAP) Year 1 Annual Progress Report (July 2013-September 2014)
- USAID Financing Ghanaian Agriculture Project (FinGAP) Year 2 Annual Progress Report (October 2014 – September 2015)
- USAID Financing Ghanaian Agriculture Project (FinGAP) Year 3 Annual Progress Report (October 2015-September 2016)

Power Documents - 23

- Power Africa Transactions and Reforms Program (PATRP) Electricity Demand Forecasting and Suppressed Demand Estimation Study_April2016
- National Monitoring of SE4ALL Activities in Ghana Presentation_9February2016
- Sustainable Energy for All-Rapid Assessment Gap Analysis_Ghana2012
- African Development Bank Project: Support to SE4ALL Country Actions processes in Ghana, Kenya, and Tanzania – Ghana July 24, 2015
- SE4ALL Ghana Monitoring Evaluation and Reporting System_Part 1 August 12, 2015
- SE4ALL Ghana Monitoring Evaluation and Reporting System_Part 2 August 12, 2015
- SE4ALL Annual Report_Final_2014
- SE4All Africa Hub-Annual Report_2014-2015
- SE4ALL-Ghana Action Plan_June 2012
- SE4ALL Africa_Hub-Annual Report_2015-2016
- SE4ALL Ghana Agenda Presentation
- PFG Ghana - Power Indicators
- PFG Ghana Power Work timeline Year 2_12 March 2014
- 3rd Annual Workshop on Advancing SE4ALL Country Action in Africa Presentation_9 February 2016
- MCC Compact_Ghana Power
- Supplementary Memorandum of Understanding_GHANA - PowerAfrica - PURC_signed 20May14
- MCC Ghana Compact II Presentation_Assessment of Government of Ghana's Concept Papers
- GHANA-PowerAfrica – Memorandum of Understanding_signed 20May14
- PFG Ghana Power Constraint - HeadLine Actions for Year 3
- Power Africa Annual Report 2015
- Power Africa_Annual Report 2014
- Power_Africa_Annual Report 2016
- MCC Ghana Compact II Quarterly Status Report_December 2013

Power Technical Team Draft Monitoring Plans - 12

- BUI Power Authority (BPA) Monitoring Plan DRAFT v.0
- Ghana Energy Commission (EC) Monitoring Plan DRAFT v.0
- Electricity Company of Ghana (ECG) Monitoring Evaluation and Learning Plan DRAFT v.0.2
- Ghana National Gas Company (GNGC) Monitoring Plan DRAFT v.0
- Ghana National Petroleum Corporation (GNPC) Monitoring Plan DRAFT v.0
- Ghana Grid Company LTD (GRIDCo) Monitoring Plan DRAFT v.0
- Ghana Ministry of Power (MoP) Monitoring Plan DRAFT v.0
- Ghana Ministry of Petroleum (MoPet) Monitoring Plan DRAFT v.0
- Northern Electricity Distribution Company (NEDCo) Monitoring Plan DRAFT v.0
- Ghana Petroleum Commission (PC) Monitoring Plan DRAFT v.0
- Ghana Public Utilities Regulatory Commission (PURC) Monitoring Plan DRAFT v.0
- Volta River Authority (VRA) Monitoring Plan DRAFT v.02

JSC Meeting Documents and Scorecards - 28

- 2nd JSC meeting minutes - March 2014
- 3rd JSC meeting minutes - Dec 2014
- 4th JSC meeting minutes - March 2015
- 5th JSC meeting minutes - Dec 2015
- 6th JSC meeting minutes - May 2016
- 6th JSC meeting minutes - May 2016
- PFG Credit Presentation-Ghana_25March2014
- PFG Scorecard Power Component_21March14
- PFG Scorecard Credit Component March 2014
- PFG Power Presentation-Ghana_26Mar14
- PFG Credit Presentation-Ghana_December2014
- PFG Power Presentation-Ghana_4December2014
- PFG Ghana Scorecard Power Component draft version_12 March 2015
- PFG Ghana Presentation to JSC – Power final version 1_16March2015
- PFG Ghana Presentation to JSC – Power final version 2_16March2015
- PFG Ghana Presentation to JSC – Power short version 1_4March2015
- PFG Ghana Presentation to JSC – Power short version 2_4March2015
- PFG Ghana Scorecard Power Component final version_13March2015
- PFG Access to Credit Presentation_10March201
- PFG Scorecard Credit Component_11March2015
- PFG Ghana Presentation to JSC Access to Credit_December2015
- PFG Ghana Draft Presentation to JSC – Power_9December2015
- PFG Ghana Presentation to JSC Access to Credit_March2016
- PFG Ghana Presentation to JSC Access to Credit_October2016
- PFG Ghana Draft Presentation to JSC – Power_25October2016
- PFG Ghana Presentation to JSC Access to Credit_5July2017
- PFG Ghana Presentation to JSC – Power_5July2017
- Template PFG Ghana Scorecard 2013

ANNEX IV: DATA COLLECTION INSTRUMENT

Base Interview Protocol[26]

INTRO: With the Partnership for Growth (PFG) performance period coming to an end, MSI has been asked to conduct a final performance evaluation of PFG in Ghana. This evaluation will help to ensure that valuable experiences and insights from PFG implementation can be utilized in future development efforts, and that the accomplishments and lessons from PFG can be communicated to a wider audience. The evaluation will examine the question: How did the PFG approach affect the bilateral relationship between the government of Ghana and the US government (including program implementation and dialogue)? We are meeting with you because of how your work connects to the PFG, particularly your role as a goal lead, but also your role as a representative of [TBD]. Because our goal is to learn from both the positive and negative outcomes and effects of PFG we ask that you be as honest as possible in your responses. If you wish some or all of your comments to be anonymous, please let us know and we will ensure that your name and identifying characteristic will not be associated with those comments.

1. What was your role in PFG? In what years did you play that role?
2. How would you describe the process of establishing and/or maintaining the PFG?
    a. What factors helped this?
    b. What factors hindered it?
    c. Are any of those factors unique to Ghana?
3. Underlying the PFG is a Whole-of-Government approach. What did that mean for [your institution]?
    a. Have you seen evidence of this for other players on the US side?
    b. Have you seen evidence of this for other players on the Ghana side?
4. How did the PFG affected the ways your office works with other agencies and institutions from your own government (USG)? The partner government (GOG)?
5. What do you see as the major achievements or successes of PFG?
    a. What factors assisted or made those achievements possible?
    b. What factors impeded those achievements?
6. What were the major bottlenecks / challenges / problems for PFG?
    a. What factors contributed to those bottlenecks/challenges/problems?
    b. What factors alleviated or countered those bottlenecks?
7. PFG appears to have been a useful tool for the USG to establish priorities, leverage certain activities, and facilitate negotiation with the GOG. Was that the case for your work? Did you see any evidence that was true for the GOES (why/why not)?
8. If PFG could be redesigned and/or re-implemented, what changes would you propose in light of what you now know? (This would be the final question)
9. Is there anyone else at your organization or a partner organization who you think would have useful insights for this evaluation?

26 Because each interviewee had narrow and specialized information, each interview protocol was customized to include specific lines of questioning for each informant prior to the interview.

ANNEX V: PFG M&E FRAMEWORK INDICATORS

Indicator	Source	Unit	Baseline Value	2013 Actual	2014 Actual	2015 Actual	2016 Actual
Power Sector - Macro-Level Outcomes							
Firms citing electricity as a major obstacle to doing business	World Bank Enterprise Survey	%	NA	19.0	Reliable electricity still a major barrier as per AGI Business Barometer Report	Reliable electricity still a major barrier as per AGI Business Barometer Report	Reliable electricity still a major barrier as per AGI Business Barometer Report
Sale losses due to power outages	World Bank Enterprise Survey	%	NA	11.5	Significant	Significant	Significant
Diesel fuel consumption by firms	World Bank Enterprise Survey	% (estimates)	NA	1.64 Million Tons imported; about 25% for generators	1.74 Million Tons imported; about 25% for generators	2.16 Million Tons imported; about 25% for generators	NA
ECG Consumption per customer	ECG	(kWh)/ Cust SLT	2,233,146	1,054,590.57	1,029,483.92	866,063.22	1,716,585.00
		(kWh)/ Cust NSLT	1,599.12	1,673.20	1,476.70	1,125.46	1,415.00
NEDCO Consumption per customer	NEDCO	kWh	1312	1290	1,164.00	936.50	875.00
VRA Consumption per customer	VRA	GWh	149.7	401.61	381.15	318.35	367.37
ECG Customers	ECG	Number	2,722,117	2,612,007	2,958,632	3,349,520	3,387,815
NEDCO Customers	NEDCO	Number	517,711	517,711	580,609	698,353	780,042

Indicator	Source	Unit	Baseline Value	2013 Actual	2014 Actual	2015 Actual	2016 Actual
Goal 1: Policy, Strategy and Planning							
Adherence to implementation milestones of the sector policy and strategy	PFG Secretariat	Behind Schedule /On track/Ahead of Schedule/Completed	Behind Schedule	Behind Schedule	Behind Schedule	Behind Schedule	Ahead of Schedule
Ghana Proportion of gas-based generation	Energy Commission/ GRIDCo/VRA	%	60.72	25.31	49.41	80.73	37.00
Ghana Private Investment in Power Generation-absolute value	GIPC/PURC/ MoEn	US$ (m)	NA	NA	950 (Cenpower)	469.5 (TICO 439.5; BXC Solar 30). Karpower not included	1,106 (Asogli 1&2 576; Ameri 530)
Goal 2: Institutional, Regulatory, and Structural Reform							
ECG Cost recovery of tariff	PURC	GHC/ kWh	NA	0.1472	0.1568	0.2222	0.2222
ECG Average selling price of electricity	ECG	GHC/ kWh	0.22	0.37	0.29	0.46	0.74
NEDCO Average selling price of electricity	NEDCO	GHC/ kWh	0.265	0.27	0.48	0.53	0.76
Ghana Automatic Tariff Adjustments	PURC	Number	4	4	4	3 plus 1 major tariff review	4
Goal 3: Electricity Demand and Generation Capacity							
Ghana IPP Generation	Energy Commission	MW	110	120	0	350 Karpower-220 Tico 110 BXC Solar 20)	610 Asogli 360, Ameri 250)

Indicator	Source	Unit	Baseline Value	2013 Actual	2014 Actual	2015 Actual	2016 Actual
Ghana Demand coverage ratio (Installed Capacity/Peak Demand)	Energy Commission / GRIDCo	%	132	146.38	144.43	166.88	185.36
Goal 4: Transmission and Distribution Infrastructure and Operations							
ECG Operating cost coverage	ECG	%	80.56	90.00	106.62	89.05	119.00
NEDCO Operating cost coverage	NEDCO	%	NA	73.04	92.86	72.94	107.00
GRIDCo Operating cost coverage	GRIDCo	%	160.9	127	123.00	142.00	159.00
VRA Operating cost coverage	VRA	%	102.00	102	68	68	89
ECG Current ratio	ECG	%	79.44	65	58	51	73
ECG Quick ratio	ECG	%	76.5	63	56	50	72
ECG Aggregate Technical, Commercial Losses	ECG	%	23.48	22.98	25.18	22.71	23.88
NEDCO Aggregate Technical, Commercial Losses	NEDCO	%	21.2	21.2	22.00	23.10	27.00
NEDCO Collection Rate	NEDCO	%	68.66	89.66	65.83	71	73
ECG Collection Rate	ECG	%	95	98.95	97.20	93.24	81.06
GRIDCo Transmission losses	GRIDCo	%	4.30	4.49	4.32	3.79	4.43
ECG Total duration of outages (rural areas)	ECG	Hours	229.3	142.62	206.23	308.41	158.00
NEDCO Total duration of outages (rural areas)	NEDCO	Hours	76	176.00	170.3	242	162.2

Indicator	Source	Unit	Baseline Value	2013 Actual	2014 Actual	2015 Actual	2016 Actual
ECG Total duration of outages (urban areas)	ECG	Hours	211.03	173.76	216.22	548.31	146.00
NEDCO Total duration of outages (urban areas)	NEDCO	Hours	NA	141	173	324	127
ECG Frequency of outages (rural areas)	ECG	Number	267	83	113	87	108
NEDCO Frequency of outages (rural areas)	NEDCO	Number	NA	61	93	89	112
ECG Frequency of outages (urban areas)	ECG	Number	256	92	117	75	89
NEDCO Frequency of outages (urban areas)	NEDCO	Number	NA	50	58	73	48
Goal 5: Rural Access							
Rural access rate	MoEn	%	49	49	52	56	58
National Access Rate	MoEn	%	74.0	75.6	78.0	81.70	83.24
Off-grid generation (off-grid systems and mini-grids)	MoEn/EC	kW	2,173.05	2,173.05	1,350.00	4,290.00	1,238.00

Key Indicators	Baseline (2012)	Dec 2013	Dec 2014	Dec 2015	Dec 2016	March 2017
Credit Constraint - Performance of Macro Constraints Key Indicators						
Lending to the private sector as a percentage of GDP	16%	15.80%	18.56%	18.7%	17.92%	18.5%
Outstanding credit -private sector (GHS)	11,477.4 m	14,757.2 m	21,044.6 m	26,203.1m	29,983.5 m	30,990.1 m
Real Interest Rate	3.7%	-1.0%	-3.1%	-4.7%	-2.4%	2.2%
	6.2%	2.5%	4.0%	9.0%	10.01%	10.7%
Interest rate spread	13.22%	13.06%	15.13%	14.50%	18.20%	16.31%
Average tenor of loans	18 months	18 months	18 months	18 months	18 months	18 months
Goal 1 - Reduce Government Engagement in the Banking Sector						
Public sector arrears (Total arrears by Central Government including Tax Refund (m' GH₵)	3,666.1	2,352.5	4,237.2	3,036.6	3,783.3	3,742.6 (projection for 2017)
Percentage of non-performing loans of banks	13.2%	12.0%	11.0%	14.7%	17.4%	20.3%
Non-performing loans excluding loss category	5.2%	4.3%	5.0%	6.8%	8.4%	11.3%
Public sector arrears (Total arrears by Central Government including Tax Refund (m' GH₵)	3,666.1	2,352.5	4,237.2	3,036.6	3,783.3	3,742.6 (projection for 2017)
Percentage of non-performing loans of banks	13.2%	12.0%	11.0%	14.7%	17.4%	20.3%
Non-performing loans excluding loss category	5.2%	4.3%	5.0%	6.8%	8.4%	11.3%
Goal 2 - Strengthen Financial Sector Regulation & Supervision						
Banks meeting provisions of safety and soundness	72 %	74%	79%	71%	73.33%	
Regulatory quality of National Pensions Regulatory Authority	N/A	Training on Track	Training on track	Training on track	New investment Guidelines now operational	New reporting format for various private pension schemes
Percent of total regulatory staff trained	1 %	All internal staff undergoing training	Staff trained on Risk-Based Supervision	All staff have been trained	All staff have been trained	All staff have been trained

Key Indicators		Baseline (2012)	Dec 2013	Dec 2014	Dec 2015	Dec 2016	March 2017
Goal 3 - Develop the Financial Sector Infrastructure							
Usage rate of the e-Zwich payment Platform	Total Transaction Volume	N/A	814,441	625,167	2,251,101	5,365,085	3,085,522 (May 2017)
	Total Transaction Value (GH₵)	N/A	217.2 m	272.7 m	922.9 m	2,363.0m	1,035.6m (May 2017)
Credit bureau utilization		205,949	528,491	948,360	2,008,170	2,134,661	
Registrations on collateral registry		17,133	18,542	23,662	25,216	31,327	
Cumulative Registered Charges						143,875	
Goal 4 - Broaden and Deepen the Financial Sector							
Secondary market growth (Value of secondary market trades – GH₵)		102.2 m	456.1 m	346.0 m	247.64 m	242.11 m	290.92 m
Secondary market growth (No. of secondary market trades)		24,289	34,152	33,324	24,643	20,685	5,579
Securities investment on the GSE (No. of foreign & local entities investing in securities on the GSE)		70,463	76,333	82,481	*57,116.87*		17,029
Securities investment on the Ghana Stock Exchange (Val. of foreign and local investment on the GSE)		57,264.22 m	61,158.29 m	64,352.42 m	57,116.8 m	52,690.9 m	48,846,99 m
Adherence to auction calendar		No	Yes	Largely compliant	Yes	Yes	Yes
Foreign Exchange Trades (Total number of foreign exchange trades during the financial year)		8,512	10,000	7,053	9,436	10,488	2,768
Foreign Exchange Trades (Total value of foreign exchange trades during the financial year) (US$)		9,953.0 m	7,975.1m	6,118.0m	8,103.5m	9,326 m	2,122 m

Key Indicators	Baseline (2012)	Dec 2013	Dec 2014	Sep 2015	Dec 2015	Dec 2016	March 2017
Goal 5: Encourage Development Finance and Support SME Access to Finance							
Value of credit extended by Rural and Community Banks (GH₵)	593.74 m	761.8 m	837.87 m	918.46 m	871.63 m	982.93 m	1,019.75 m
NPLs in Rural and Community Banks	N/A	N/A	10.6%	11.6%	12.56%	12.77%	13.30%
Number of issuances by SMEs listed on the GSE	N/A	N/A	1	4	4	8 (4 equities and 4 corporate bonds)	9 (4 equities and 5 corporate bonds)
Value of Ccpital/funds raised for SMEs on the GSE (GH₵)	N/A	N/A		10.4 million (equity)	13.8 million (equity)	201.3 million (equity)	15.83 million (equity)
			38.6 million (Corporate Bond)	64 million (Corporate Bond)	102.0 million (Corporate Bond)	233.1million (corporate Bond)	

ANNEX VI: CONSTRAINTS, GOALS, AND LINES OF ACTION FOR PFG IN GHANA

Constraint	Goal	Government Contributions (LOA): Ghana	Government Contributions (LOA): U.S.
1: Unreliable and inadequate supply of electric power	1.1 - Policy, Strategy, and Planning	1.1.GOG1 - Develop an integrated Power Sector Master Plan that links demand projections with plans for generation, transmission and distribution. Ensure that the Power Sector Master Plan includes details on improving commercial performance of the distribution sector, reinforcing the network to meet demand and update the deteriorating infrastructure and a long-term strategy for sustainability. 1.1.GOG2 - Publicize forms of government credit support to backstop power purchases. 1.1.GOG03 - Create appropriate regulatory and investment framework to encourage renewable energy and, pursuant to that, explore the use of cost-effective wind and solar energy technologies and adopt action plan for waste-to-energy power plants. 1.1.GOG4 - Develop and publish a policy document setting out public policy objectives vis-a-vis public-private partnership, and the role of the private sector and the enhancement of local content/participation in the power sector in particular.	1.1.USG1 - Assist in the development and implementation of a Power Sector Master Plan. (MCC) 1.1.USG2 - Assist the GOG to understand the requirements of potential private sector investors in the power sector (domestic, regional, and international) and support investment promotion efforts. (USAID, MCC, USTDA, Commerce, State) 1.1.USG3 - Provide support on renewable energy and energy conservation measures. (USAID, DOE, USTDA) 1.1.USG4 - Provide support for the development of a transparent legal and regulatory framework for gas pricing and allocation. (MCC, USAID)
	1.2 - Institutional, Regulatory, and Structural Reform	1.2.GOG1 - Build a transparent, independent and effective regulatory environment; strengthen regulatory bodies to ensure their effectiveness and their enforcement capacity; and strengthen the human resource capacities of regulatory institutions to enhance performance. 1.2.GOG2 - Regulator should implement a tariff regime to ensure that the power sector operates on principles of cost recovery and economic viability. 1.2.GOG3 - Make explicit any subsidies that may have to remain in the sector including the nature, conditions and timing of payment of subsidies. 1.2.GOG4 - Implement reforms to restructure the power sector to ensure the active participation of the private sector in generation, transmission and distribution through a range of mechanisms such as private Operations and Maintenance (O&M) contracts and public-private partnership arrangements to improve efficiency of operations and maintenance. 1.2.GOG5 - Formulate and implement a program to improve the commercial performance of the distribution sector.	1.2.USG1 - Provide support for the development and implementation of a plan to revise legal, fiscal and regulatory framework needed to attract investors to the sector. (MCC, USAID) 1.2.USG2 - Provide technical support to further strengthen the capacity of the Energy and Petroleum Commissions and the Ghana National Gas Company. (MCC, USAID). 1.2.USG3 - Help revise the country's IPP framework and build the capacity of the government to effectively negotiate non-recourse finance transactions with the private sector. (MCC, USAID) 1.2.USG4 - Review existing corporate governance of generation, transmission, and distribution entities and suggest necessary changes to enhance their effectiveness. (MCC, USAID) 1.2.USG5 - Review and suggest potential private sector participation in distribution, including performance based management contracts and concessions and, as necessary, provide support to assist in their development. (MCC, USAID) 1.2.USG6 - Facilitate ongoing discussions and workshops through virtual conferencing with Ghanaian colleagues on a variety of energy topics. (DOE, State)

Constraint	Goal	Government Contributions (LOA): Ghana	Government Contributions (LOA): U.S.
	1.3 - Electricity Demand and Generation Capacity	1.3.GOG1 - Implement operating targets with incentives to drive achievable improvements in generation operations and maintenance. 1.3.GOG2 - Establish financial performance targets for Ghanaian public utility companies. 1.3.GOG3 - Hold management of government-owned entities in the power sector accountable for performance. 1.3.GOG4 - Expand power generation taking into consideration the differing environmental (including impacts on environmentally sensitive and protected areas) and social impacts of different types and locations of generation via public or private sector financing. 1.3.GOG5 - Approve generation investment plans that are consistent with policy objectives. 1.3.GOG6 - Develop and implement a plan to access international environmental mechanisms and markets in order to ensure sustainable delivery of energy to mitigate negative environmental impacts and climate change.	1.3.USG1 - Provide support for the development of a plan to expand power generation taking into consideration the differing environmental (including impacts on environmentally sensitive and protected areas) and social impacts of different types and locations of generation. (MCC) 1.3.USG2 - Undertake actions to increase U.S. private-sector companies' awareness of investment opportunities in the power sector (State, USTDA Commerce) and assist with proposal development. (USTDA, Commerce) 1.3.USG3 - Provide political risk insurance and direct financing of private sector infrastructure projects with U.S. participation that meet agency credit standards, particularly in the renewable energy sector. (EXIM, OPIC) 1.3.USG4 - Provide support for the development of an action plan to develop and implement renewable sources, such as cost-effective approaches to wind and solar energy technologies and waste-to-energy power plants. (USTDA) 1.3.USG5 - Provide support for training in generation capacity improvements, data collection and analysis. (MCC) 1.3.USG6 - Assist US firms to participate in procurement activities in the power sector. (USTDA, Commerce) 1.3.USG7 - Provide trade financing to enable US firms to competitively bid on contracts in the power sector for projects that meet agency credit standards. (EXIM) 1.3.USG8 - Support planning and implementation of improved maintenance of government-owned generation facilities, including a program to eliminate backlog of deferred maintenance and to rehabilitate/upgrade existing facilities in generation to improve operations. (MCC) 1.3.USG9 - Build the capacity of the GOG to access international environmental mechanisms and markets. (State/ENR) 1.3.USG10 - Provide support to GOG through project preparation assistance in the power sector. (USTDA)

Constraint	Goal	Government Contributions (LOA): Ghana	Government Contributions (LOA): U.S.
	1.4 - Transmission and Distribution Infrastructure and Operations	1.4.GOG1 - Set targets for operating companies to reduce network losses and undertake network improvements and interventions in metering, billing and collections to reduce losses to a more acceptable and sustainable level. 1.4.GOG2 - Expand power transmission and distribution facilities via public and/or private sector financing. 1.4.GOG3 - Improve corporate governance and management in the transmission and distribution sectors. 1.4.USG4 - Facilitate discussions on Smart Grid efforts with US based organizations. (DOE)	1.4.USG1 - Support the reduction of technical and commercial losses in the system, including a program of loss reduction measures (combination of process improvements and physical investments as may be identified) that will improve technical and financial performance of utilities. (USAID, MCC, USTDA) 1.4.USG2 - Provide support to plan and implement improved maintenance of transmission and distribution facilities. Fund program to eliminate backlog of deferred maintenance and to rehabilitate/upgrade existing transmission, and distribution facilities to improve operations. (USTDA, MCC) 1.4.USG3 - Provide technical support to assist GRIDCo improve voltage management. (USAID)
	1.5 - Rural Access	1.5.GOG1 - Define targeted communities for electrification	1.5.USG1 - Provide TA to review the existing National Electrification plan to increase access to electricity for the poor through use of renewable energy solutions. (USAID) 1.5.USG2 - Support expansion of transmission and distribution networks where extensions may be warranted. (EXIM, USTDA) 1.5.USG3 - Facilitate discussions on maintaining and operating off-grid systems and reviewing off-grid tariff policies with DOE laboratory experts. (DOE) 1.5.USG4 - Review off-grid tariff policies. (DOE)
2: Improve Access to Credit and Strengthen the Financial System	2.1 - Reduce Government Engagement in the Banking Sector	2.1.GOG1 - Develop a strategy to ensure the full deployment and effective utilization of the recently launched Ghana Integrated Financial Management Information System, which is designed to improve central government accounts management including revenue and expenditure reconciliation, debt management and other fiscal operations. (MOFEP) 2.1.GOG2 - Within two years, review for amendment the BoG Act 612, 2002 which sets government borrowing limits in order to minimize its undesirable effects on interest rates. (MOFEP) 2.1.GOG3 - Revive and enact the Fiscal Responsibility Law intended to clearly define the roles and responsibilities of MOFEP. (MOFEP, BoG) 2.1.GOG4 - All banks meet and maintain the minimum capital requirement within two years. (BoG) 2.1.GOG5 - Review of the plan of action that will ultimately result in a commercially focused governance of state and parastatal ownership in NIB and ADB within two years including review and strengthening of the procedures for appointments of Managing Directors. (MoFEP/BoG)	2.1.USG1 - Continuing support for implementation of the Ghana Integrated Financial Management Information System. (UST with USAID funding) 2.1.USG2 - Support for strengthening revenue authority and improving tax collection. (UST) 2.1.USG3 - Assistance with developing a problem bank resolution framework. (UST)

Constraint	Goal	Government Contributions (LOA): Ghana	Government Contributions (LOA): U.S.
	2.2 - Strengthen Financial Sector Regulation and Supervision	2.2.GOG1 - Finalize operationalization of a policy coordinating body for the purpose of regulatory integration and development in the financial sector within two years. (BoG, MOFEP) (FINSSP II recommendation 74) 2.2.GOG2 - By July 31, 2013, complete refinement of the recently agreed formula which banks are required to use when reporting their Base Rates. (BoG) (FINSSP II recommendation 36) 2.2.GOG3 - Develop within a year and implement over the next four years a plan to enhance the supervisory capacity of key departments in the BoG responsible for bank supervision and the regulation of emerging instruments with priority given to foreign exchange trading. (BoG, MOFEP) 2.2.GOG4 - Develop within one year a capacity building plan to strengthen NPRA to effectively provide the necessary oversight and regulation for the pension system. (MOFEP)	2.2.USG1 - Support for development and implementation of an action plan to enhance the capacity of the Bank Supervision Department in areas of risk assessment, enforcement and problem bank management and resolution. (UST) 2.2.USG2 - Support for the development and implementation of an action plan to enhance the capacity of the Treasury Department of the BoG in the area of foreign exchange and debt trading. (TBD) 2.2.USG3 - Support development of a new curriculum and implementation of training programs for state institutions in the financial sector such as NPRAG and other regulators. (UST, SEC)
	2.3 - Develop the Financial Sector Infrastructure	2.3.GOG1 - Implement within four years with yearly milestones identified under the FINSSP II Action Plan for enhancing the financial sector infrastructure to include: - Improve the payment systems - Provide improved credit information through the credit bureaus (FINSSP II recommendations 33 and 34) - Strengthen the collateral registry 2.3.GOG2 - Implement within two years improved training programs for financial services sector participants (to include banks, insurance companies, capital markets, pension funds and the relevant regulators). (BoG, MOFEP) (FINSSP II recommendation 83 and 84) 2.3.GOG3 - Finalize a feasibility study to establish the viability of deposit insurance and in collaboration with KfW and other donors, institute a deposit insurance scheme within three years. (BoG) (FINSSP II recommendation 42) 2.3.GOG4 - Support expanded government and non-government payments through the e-Zwich system. (FINSSP recommendations 43, 44, 45)	2.3.USG1 - Support development of an action plan to strengthen the financial sector infrastructure, to include: (USAID) - Supporting the strengthening of Ghanaian public and private financial services training systems. - Improved payment systems (which would support interoperability of retail payments). 2.3.USG2 - Support implementation of deposit insurance. (UST, USAID) 2.3.USG3 - Support expanded government and non-government payments through the e-Zwich system. (FINSSP recommendations 43, 44, 45) (USAID)

Constraint	Goal	Government Contributions (LOA): Ghana	Government Contributions (LOA): U.S.
	2.4 - Broaden and Deepen the Financial Sector	**2.4.GOG1 -** Develop within one year and implement within four years an action plan for broadening and deepening the financial sector through expanded regulations which would permit the development of non-bank financial institutions and alternative financial intermediaries and instruments. (MOFEP, BoG) **2.4.GOG2 -** Implement within two years the plan for establishing an SME market on the GSE. (MOFEP) (FINSSP II recommendation 7) **2.4.GOG3 -** Develop within two years and implement over three years a framework for foreign exchange trading to include: i) enhancement of the legal framework; ii) provision of market infrastructure for trading; iii) setting up a risk management system; and iv) capacity building. (BoG) **2.4.GOG4 -** Develop within a year and implement over the next four years a comprehensive action plan to develop secondary markets for bond and equity trading, with particular attention to participation in these markets by SMEs. (MOFEP) **2.4.GOG5 -** Pass within one year proposed amendments to the Securities Industry Law to improve the regulatory system, enable better protection of investors, conform to international best practices, and define derivatives as financial securities. (MOFEP) (FINSSP II recommendations 2 and 3) **2.4.GOG6 -** Develop within one year and implement over four years a plan to support the Securities Institute to develop capacity in training of and certification for market participants. (MOFEP) (FINSSP II recommendation 5) **2.4.GOG7 -** Develop within one year and implement over three years a training program for primary dealers on characteristics of and pricing of fixed income securities. (MOFEP) (FINSSP II recommendation 10) **2.4.GOG8 -** Continue adherence to the published auction calendar for issuance of public debt (including benchmark bonds). (MOFEP) (FINSSP II recommendation 14) **2.4.GOG9 -** Continue to encourage Ghanaian banks to establish SME units. (BoG)	**2.4.USG1 -** Support the development and deepening of non-bank intermediaries and instruments. (USAID, SEC) **2.4.USG2 -** Support implementation of an SME window on the GSE as well as secondary markets for bond and equity training. (USAID,SEC) **2.4.USG3 -** Support implementation of a foreign exchange trading framework. (USAID) **2.4.USG4 -** Support training for primary dealers on fixed income securities. (USAID, SEC) **2.4.USG5 -** Support specialized training for financial services market participants, with particular focus on market regulation and new financial instruments such as derivatives. (USAID, SEC)

Constraint	Goal	Government Contributions (LOA): Ghana	Government Contributions (LOA): U.S.
	2.5 - Encourage Development Finance and Support SME Access to Finance	2.5.GOG1 - Develop within one year and implement over four years an Action Plan to improve access to finance for small and medium enterprises government and donor funded SME support initiatives (operating on commercial principals and building upon successful governmental small and medium business development initiatives in other countries) including the potential for a 'one-stop shop'. (MOTI) 2.5.GOG2 - Continue to support financial literacy. (MOFEP/BoG) (FINSSP recommendation 86) 2.5.GOG3 - Develop within 6 months and implement over the next four years an Action Plan to ensure the sustainability, coordination and optimal efficiency of key development finance units as well as new independent development financial institutions to support targeted economic diversification growth sectors. (MOFEP) 2.5.GOG4 - Develop a strategy to address the serious capacity constraints in the rural banks focusing on technical capacity development, reform of ownership to expand their geographic scope and establishment of prudential lending practices. (MOFEP, BoG)	2.5.USG1 - Support for a work plan to coordinate and strengthen the sustainability of SME focused and other specialized development finance institutions (such as housing finance) and small business support services. (USAID, SBA) 2.5.USG2 - Support for establishment of a balanced scorecard/dashboard indicator which would assist government policy-makers in tracking economic performance. (USAID and UST) 2.5.USG3 - Support for financial literacy. (USAID) 2.5.USG4 - Potential support for rural bank capacity building. (USAID)

ANNEX VII: GOALS, INDICATORS, AND SOURCES

Goal	Impact Indicators	Scorecard Data Source
Constraint 1: Unreliable and Inadequate Supply of Electric Power		
Macro-level Outcomes	P(1) Percentage of firms citing electricity as a major obstacle to business P(2) Sale losses due to power outages P(3) Diesel fuel consumption of firms P(4) Electric power consumption per capita P(5) Number of customers, by ECG (P5A) and NEDCo (P5B)	P(1) World Bank Enterprise Survey P(2) World Bank Enterprise Survey P(3) Year 3 PFG Survey P(4) ECG and GRIDCo total kWh billed at distribution areas/population of the area P(5A) New customers for ECG P(5B) New customers for NEDCo
1.1 - Policy, Strategy, and Planning	P(6) Adherence or progress on implementation milestones of sector policy and strategy P(7) Proportion of gas-based generation as a percentage of thermal supply P(8) Ratio (P8A) and absolute value (P8B) of private versus public investment in sector	P(6) PFG scorecards from secretariat P(7) Energy Commission/GRIDCo P(8A) GIPC P(8B) GIPC
1.2 - Institutional, Regulatory, and Structural Reform	P(9) Cost recovery of tariff P(10) Average selling price of electricity (P10A ECG); P10B NEDCo) P(11) Consistent application of automatic tariff adjustment schedule	P(9) Public Utility Regulatory Commission P(10A) ECG P(10B) NEDCo P(11) Public Utility Regulatory Commission
1.3 - Electricity Demand and Generation Capacity	P(12) Megawatts of new IPP generation P(13) Electricity demand coverage ratio	P(12) Energy Commission P(13) Energy Commission/GRIDCo
1.4 - Transmission and Distribution Infrastructure and Operations	P(14)Operating cost coverage for state owned utilities (P14A-D) P(15) Quick ratio ECG P(16) Aggregate Technical, Commercial & Collection Losses, ECG (16A) and NEDCo (16B) P(17) Transmission losses GRIDCo P(18) Total duration of outages, by rural, urban, ECG and NEDCo (P18A-F) P(19) Frequency of outages rural, by rural, urban, ECG and NEDCo (P19A-D)	P(14A) ECG P(14B) NEDCo P(14C) GRIDCo P(14D) Volta River Authority P(15) ECG (current ratio also reported in Oct16 but not in M&E addendum) P(16A) ECG P(16B) NEDCo P(17) GRIDCo P(18A) rural - Energy Commission P(18B) rural - ECG P(18C) rural – NEDCo P(18D) urban – Energy Commission P(18E) urban – ECG P(18F) urban – NEDCo P(19A) rural – ECG P(19B) rural NEDCo P(19C) urban ECG P(19D) urban NEDCo
1.5 - Rural Access	P(20) Rural access rate P(21) National access rate P(22) Off-grid generation	P(20) Ministry of Energy P(21) Ministry of Energy P(22) Energy Commission/Ministry of Energy

Goal	Impact Indicators	Scorecard Data Source
Constraint 2: Improve Access to Credit and Strengthen the Financial System		
Macro-level Outcomes	C(1) Firms citing credit as a constraint to business C(2) Private sector credit as a percentage of Gross Domestic Product (C2A); Outstanding credit to the private sector (C2B) C(3) Real interest rates C(4) Interest rate spread C(5) Average tenor of loans	C(1) World Bank doing business report (not indicated on scorecards through Oct 2016) C(2A) BoG C(2B) BoG C(3) Ghana Statistical Service "monthly statistical bulletin" and BoG C(4) BoG C(5) BoG
2.1 - Reduce Government Engagement in the Banking Sector	C(6) Government deficit C(7) Government within statutory borrowing limits (% of deficit financed by banks) C(8) Public sector borrowing from the banking sector: C(8A) = share of deposit money bank credit to public sector; C(8B) = value of GOG borrowing from the Deposit Money Banks; C(8C) = Value of GOG borrowing from the Central Bank C(9) Public sector arrears: C(9A) = Total arrears by central government; C(9B) = Total value of arrears for electricity services by central government C(10) Non-performing loans: C(10A) = at banks; C(10B) = excluding loss category	C(6) MOF C(7) MOF C(8A) BoG C(8B) BoG C(8C) MOF C(9A) MOF C(9B) MOF C(10A) BoG C(10B) BoG (included in scorecards but not in M&E addendum)
2.2 - Strengthen Financial Sector Regulation and Supervision	C(11) Banks meeting standard provisions of safety and soundness C(12) Regulatory quality of National Pensions Regulatory Authority (NPRA) C(13) Percentage of regulatory staff trained	C(11) BoG C(12) PFG secretariat qualitative assessment C(13) NPRA number of staff trained/total staff
2.3 - Develop the Financial Sector Infrastructure	C(14) Deposit mobilization (C14A-B) C(15) Usage of e-Zwich payment C(16) Credit bureau utilization rate C(17) Private credit bureau coverage C(18) Registrations on collateral registry	C(14A) Number of depositors below statutory threshold applicable within the deposit insurance scheme – not yet operational as of Oct 2016 and data source unknown C(14B) Absolute level of deposits below the threshold applicable within the deposit insurance scheme – not yet operational as of Oct 2016 and data source unknown C(15) Ghana Interbank Payment and Settlement Systems C(16) BoG C(17) World Bank Doing Business Report C(18) BoG

Goal	Impact Indicators	Scorecard Data Source
2.4 - Broaden and Deepen the Financial Sector	C(19) Secondary market growth: C(19A) = value of secondary market trades; C(19B) = number of secondary market trades C(20) Securities investment on the GSE: C(20A) = number or foreign and local entities investing in GSE; C(20B) = volume of foreign and local entities investing in GSE C(21) Adherence to auction calendar C(22) Foreign exchange trades: C(22A) = number of foreign exchange trades; C(22B) = volume of foreign exchange trades	C(19A) GSE and Central Securities Depository C(19B) GSE and Central Securities Depository C(20A) GSE and SEC C(20B) GSE and SEC C(21) BoG C(22A) BoG C(22B) BoG
2.5 - Encourage Development Finance and Support SME Access to Finance	C(23) Private credit to SMEs: C(23A) = number of individuals; C(23B) = number of firms C(24) SMEs credit from DFIs C(25) Non-performing loans in rural and community banks C(26) Volume of credit extended by rural banks C(27) SMEs on stock exchange: C(27A) = number of issuances by SMEs; C(27B) = value of capital/funds raised for SMEs C(28) Number of SME employees both male (C(28A)) and female (C(28B))	C(23A) TBD – not reported on scorecards as of Oct 2016 C(23B) TBD – not reported on scorecards as of Oct 2016 C(24) TBD – not reported on scorecards as of Oct 2016 C(25) BoG /APEX Bank C(26) BoG C(27A) GSE C(27B) GSE (Capital and funds given as separate indicators on Oct 2016 scorecard) C(28A) MOF; MOTI; National Board for Small Scale Industries – not reported on scorecards as of Oct 2016 C(28B) MOF; MOTI: National Board for Small Scale Industries – not reported on scorecards as of Oct 2016

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