



**PROMOTING INCLUSIVE GROWTH AND DEVELOPMENT  
ANNUAL PROGRAMME/PROJECT PROGRESS REPORT  
REPORTING PERIOD: 1 JANUARY – 31 DECEMBER 2014**

**Project Title & Project Number**

- Project Title: Promoting Inclusive Growth and Development
- UNDP Project #: 00081826

**Country, Locality(s), Priority Area(s)  
/ Strategic Results<sup>1</sup>**

*Country: Ghana*

**Participating Organization(s)**

- Ghana Statistical Service
- National Development Planning Commission
- Ministry of Trade and Industry
- University for Development Studies

**Implementing Partner**

- Ministry of Finance

**Programme/Project Cost (US\$)**

Final allocated resources: \$1,564,432.00  
Regular: TRAC 1,564,432.00  
Anticipated cost sharing: \$200,000<sup>2</sup>

**Duration**

One Year

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<sup>2</sup> This did not materialize

## 1.2 STRUCTURE OF ACTIVITIES IN THE WORKPLAN AND REPORTING ISSUES

Towards this end, the Annual Work Plan had a number of strategic areas of focus and related to this it worked with a number of responsible parties.

Within the context of providing for a rapid policy and programme response, it also initiated new work with two previous responsible parties for the inclusive growth cluster's AWP – this was the *Office of the President (OoP)* and the *Savannah Accelerated Development Authority*. As these were not RPs for this work plan, no funds were directly transferred to them.

There were a few challenges for reporting. Firstly, it should be noted that in the 2014 annual work plan (AWP), there wasn't a one-to-one alignment between the way the activities were defined in the AWP and the way the activities were structured in ATLAS<sup>3</sup>, UNDP's corporate platform from which the financial reports are produced for the annual report. This means that financial reporting at the activity level is not as accurate as it should be and hence activity-level reporting is not accurate for partners. This issue has been taken on board in the inclusive growth work-plan for 2015 whereby there is an alignment of ATLAS activities by partner/responsible party to facilitate clearer reporting on contributions by partners/responsible parties; there is also a clearer separation of communications and partnership activities which were taken on board by the inclusive growth cluster in 2014;<sup>4</sup> Secondly, while it is easier to report on activities, results only become evident with a time lag which in some instances is longer than a year. This is the case for large-scale surveys undertaken by the Ghana statistical service but also applies to other areas where impact of activities supported by the AWP takes time. For 2014, the alignment between activities in the AWP and in ATLAS could be expressed as follows:

ATLAS Activity	Key Result Area for corporate M&E	Broad Strategic Areas of Support proposed in the AWP	Responsible Parties & partners
1	<p><b>UNDP Strategic Plan Output 7.2.</b> National data collection, measurement and analytical systems in place to monitor progress on the post 2015 agenda and sustainable development goals;</p> <p><b>UN Ghana UNDAF Key Result: 11.1</b> Enhanced capacity of GSS and other related MDAs to produce key relevant disaggregated data;</p>	<p>Enhancing the evidence-base and strengthening capacities for development planning and management through support to Ghana Statistical Service to conduct selected surveys, analyze data, and prepare key reports;</p> <p>Promote analysis of data from previously supported surveys which come on line in 2014 – e.g., 6<sup>th</sup> Ghana Living Standards Survey</p>	Ghana Statistical Service
2	<p><b>UNDP Strategic Output 7.3.</b> National development plans to address poverty and inequality are sustainable and risk resilient</p> <p><b>Ghana UNDAF Key Result 11.2</b> Enhanced capacity of key national planning, policy and data management institutions to formulate MDG and HD oriented policy, planning and economic management;</p>	<p>Support for the development of a National Long-term Plan and Economic Model;</p> <p>Support for the integration of sector and district medium-term plans (2014-2017) into a National Medium Term Development Plan (2014-2017);</p> <p>Prepare and disseminate a National MDG Report in the lead-up to fashioning of the sustainable development goals and post-2015 agenda;</p>	National Development Planning Commission
3	<b>UNDP Strategic Output 1.1</b>	Provide technical support for the development, roll-out and	Ghana

<sup>3</sup> ATLAS is the Enterprise Resource Planning (ERP) system used by UNDP to manage projects, finances, human resources, inventory and procurement. It forms the basis for UNDP's internal control & accountability framework.

<sup>4</sup> E.g., partnership with MTN for the ICT centres in the 3 Northern regions; also communication for development

## 2. KEY OUTCOMES AND CHALLENGES IN 2014

Over the period, the IP with collaboration from the RPs, sought to and achieved the implementation of a number of activities. There were also challenges which resulted in a roll-over of some activities to 2015.

- **The evidence-base for national development policies and development cooperation as well as for citizen empowerment was strengthened** GSS carried out the Ghana Demographic and Health Survey (GDHS) as well as deliberated on actions and priorities relating to Civil Registration and Vital Statistics (CRVS) for 2014. At this stage it is difficult to assess the full impact of support through the AWP for 2014 as such large scale surveys take time to process and results will only become available in 2015. However, the results and reports relating to the Ghana Living Standards Survey (GLSS 6 for 2012/13), to which support had been provided through the AWP for 2013, became available in September 2014. The GLSS 6 provides valuable information on demographic characteristics of households, as well as on education, health, employment, housing conditions, household agriculture, household expenditure, access to financial services, credit and assets; governance, peace, and security dimensions. The survey data and reports are particularly useful for providing timely data for assessing progress on the MDGs and potentially for informing baselines for development goals which will come into being post-2015.
- **National medium term development plan launched:** Ghana's National Development Planning Commission (NDPC), for which support was provided by the AWP, finalized the Ghana Shared Growth Development Agenda (GSGDA II), Ghana's medium term strategy for 2014-17. The Costing Framework for the GSGDA II, 2014-2017 (Volume II) which is expected to assess the resources required to implement all interventions identified under the GSGDA II was initiated in the context of the AWP. The untimely death of long term chairman of NDPC, Mr. P.V. Obeng slowed the pace of some of the work as did the transition process; outputs related to long term planning were rolled over to 2015 and will be focused on in a manner that is stronger than ever.
- **Launch of Flagship Reports delayed:** The finalization and launches of the Northern Savannah Human Development Report (NS-HDR) and the national MDG report (drawing mostly on 2012/13 data) were postponed to 2015 in order to take advantage of GLSS 6 data which was only released in late 2014.
- **Innovative Platforms initiated:** The roll-out of the GCX has taken longer than anticipated, even as there was good momentum, as the Legislative Instrument which encompasses this exchange is currently awaiting Cabinet approval; implementation is expected to begin on partnerships and the construction of a number of warehouses as part of the roll out process;  
Late in the year, in response to requests for support from the Office of the President (OoP) for the development of a monitoring platform to track deliverables for the state of the nation address (SONA) and from the newly re-launched Savannah Accelerated Development Authority (SADA) to enhance development effectiveness in the NSEZ, two additional platforms were supported – an innovative Results Monitoring Platform for the SONA and the building blocks for a development effectiveness platform for SADA. The full impact will only become evident in 2015.
- **Successful national consultation process to inform the development of the SDGs and draw lessons from mainstreaming and localizing the MDGs:** national and sub-national consultations held in June 2014

- A validation workshop was carried out to analyze the findings of each recommended action, compiling a list of accepted actions based on a set of criteria and validating the findings and conclusions with stakeholders.

## ii. MINISTRY OF TRADE AND INDUSTRY (MoTI)

As part of efforts to create an orderly, transparent, and efficient marketing system for Ghana's key agricultural commodities, and to promote agricultural investment and enhance productivity, key objectives of the Ghana Trade Policy, the Government committed itself to the establishment of a Ghana Commodity Exchange (GCX) and associated Warehouse Receipt System (WRS) to encourage market access and fair returns for smallholder farmers, and to facilitate the formalization of informal agricultural trading activities.<sup>5</sup> Following on previous support to the establishment of a GCX, the focus in the AWP has been on providing support to a project office to undertake sensitization and outreach to key stakeholders and investors and to focus on the roll out of the exchange. The office is supported by the Government of Ghana and the United Nations Development Programme (UNDP) through salaries for three (3) key staff. Key activities carried out in the year under review include:

- Investor meetings to conclude negotiations on a new draft Commitment Letter following the decision of the International Finance Corporation (IFC) to be part of the consortium and UT Bank to opt' out of the Consortium.
- Negotiations with Sivoko Steel Structures Ghana Limited, the company selected after the bidding process to partner the Ghana Commodity Exchange (GCX) Project to finance, build and lease warehouses to augment the operations of the GCX.
- Prepared a Project Design Phase Document and presented same to EDAIF for approval to commence the Design and Build of the GCX Entity.
- Reviewed and facilitated the signing of a Technical Partnership Agreement between the Government of Ghana represented by the *Ministry of Trade and Industry* and *Eleni consultancy (Mauritius) Limited* to enable *Eleni consultancy ( Mauritius ) Limited* take a Technical Partnership role in the design phase of the project.

## iii. NATIONAL DEVELOPMENT PLANNING COMMISSION (NDPC)

The lack of an effective data collection, storage and distribution system to underpin vital decision-making processes impacts on national development planning efforts. This deficiency is compounded by the fact that there is no national development model for planning and budgeting. These are required to improve accountability and transparency of Government's decision-making process and to facilitate transformational and sustainable growth.

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<sup>5</sup> The commitment was made in the 2009 and 2010 budget statements respectively. In August 2009, a feasibility study towards the establishment of a Commodity Exchange in Ghana was completed under the Financial Sector Strategic Plan as part of the Economic Management and Capacity Building (EMCB) Project. In January 2011, a National Technical Committee (NTC) chaired by Ministry of Trade and Industry, which was given Cabinet approval to facilitate the establishment of the GCX and associated Warehouse Receipt System (WRS), was constituted. The NTC successfully facilitated the drafting of a legal framework for the GCX and WRS by 2012.

- Initiated field monitoring exercises to ascertain at first hand the level of implementation by RPs and IPs;
- Participated in a number of development effectiveness meetings to share our experiences and gain knowledge from other country experiences. The meetings include:
  - UNDCF meetings in New York
  - Mexico High Level meeting
  - Korea GPEDC meeting

v. **United Nations Development Programme (UNDP)**

In the reporting period, the following sets of activities were supported:

- *Research on emerging issues:*
  - a. *Macroeconomic Issues:* Macroeconomic challenges are the key constraint for it to sustain growth and invest in the MDGs. A follow-up study on fiscal space (previous one was in 2011) was undertaken in support of the Ministry of Finance to analyze and locate Ghana's macroeconomic experience in regard to comparator countries and to identify priority measures that could assist Ghana in tackling the unsustainable fiscal and current account deficits; in parallel, an initial phase of research on so-called illicit flows was undertaken by *ISODEC* who were contracted by UNDP to identify the extent of mis-pricing<sup>6</sup> of goods and services as based on publicly available data and to initiate an initial phase of research and modeling mis-pricing in the oil and gas sector;
  - b. *Tackling Inequalities, and promoting transformation:* While poverty has been falling, inequality has been rising in Ghana. Econometric analysis of the pattern of inequality was commissioned in 2013 and the results were updated with data for 2012/13; however more detailed analysis of inequality could not be undertaken as initially envisaged due to the timing of the release of the GLSS 6 data as compared to the timeframe anticipated in the AWP; proposed activities such as the transformation seminars were expected to be postponed to mid-2015 in keeping with the priorities outlined by NDPC and their renewed focus on promoting long-term planning and transformation;
  - c. Research on value chains and engagement with UNECA was rolled over to 2015 as the new collaboration could not be finalized in the relevant timeframe.
- *Support to NDPC to organize a major Pan-African conference on tackling inequalities in the context of structural transformation:* This was held at the end of April 2014. The conference was successful and helped to raise awareness about the drivers of growing inequality as well as challenges in addressing it.

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<sup>6</sup> The largest single channel of illicit flows is estimated to be through the *mispricing of trade*, both from the over-invoicing of imports and the under-invoicing of exports, undertaken mainly by companies intent on reducing corporate tax obligations and shifting profits abroad.

- *With a view to contributing to institutional capacity development and engagement with universities and think tanks, UNDP signed a MoU with the University of Ghana and following the mid-year review<sup>8</sup>, an initial allocation of \$25,000 was made available for Policy Seminars with the University of Ghana Business School were organized as follows: (i) Taxation and fiscal policy, specifically on how to strengthen the developmental impacts, November 27, 2014; (ii) The implications of IMF proposed review of tax regimes in Ghana for business in Ghana, December 1 2014; (iii) Implications of 2015 National Budget for economic growth in Ghana, December 2, 2014<sup>9</sup>. The expertise of the GIS lab at the university was also tapped into by SADA for the mapping exercise referred to above.*

#### **IV. EMERGING ISSUES AND LESSONS LEARNT (*OPPORTUNITIES & CHALLENGES*)**

- Long lead times for implementation pushing delivery to the last quarter of the year:** a number of activities were implemented in the last quarter resulting in the need to rush through some activities. In the ensuing year, processes will be put in place to ensure timely and impactful delivery. These include working with RPs to develop their individual work and procurement plans early in the year; the adoption of tracking tools and more consistent outreach to and engagement with RPs throughout the year; the delays and consequent rush result ineffective use of resources and reduced impact
- Reporting Issues:** Reports were not delivered on time by RPs resulting in the late preparation of quarterly reports and limited opportunities to draw lessons for the design or reconfiguration of activities; in 2015 there will be much more proactive outreach to RPs by MoF as implementing partner;
- Limits of activity level reports generated from ATLAS at present and use of score cards in the absence of a clear demarcation of ATLAS activities by RPs**

**Following the additional allocation and reallocation mid-year in 2014 as is the norm, as well as re-allocations in December 2014 aimed at ensuring effective use of TRAC resources across UNDP clusters, the Inclusive Growth Cluster utilized an amount of 1,570,806.00 out of the allocated amount of 1,564,432.00 which represents 97% delivery rate.<sup>10</sup>**

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<sup>8</sup> See letter from UNDP to Major Tara Rtd., chief director at MoF on "Additional Funding and Re-Allocations to Activities in the Inclusive Growth Project" dated 2 December 2014 summarizing the various new allocations and re-allocations.

<sup>9</sup> See report from University of Ghana Business School, dated December 9, 2014

<sup>10</sup> See UNDP 2014 Cluster Delivery, as at 4th February 2015 and Combined Delivery Report (CDR) for 2014