Ghana's New Approach to Public Sector Reform

Focusing on Delivery

November 2010
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Executive summary

Ghana has developed a "New Approach to Public Sector Reform", which seeks to focus reforms on results, particularly the delivery of the Government's main priorities for (i) job creation and (ii) food production, distribution and processing. The impetus for the reform is being led from the center of Government, by the Presidency and through the strengthening of collective cabinet level coordination, while recognizing that implementation will continue to be the responsibility of the line Ministries that typically already have well articulated sector strategies. These sector strategies are largely consistent with two main priorities and are supported by Ghana's main international partners. The New Approach emphasizes the need for greater coordination of the Government's activities, combined with mechanisms to encourage greater performance and accountability amongst senior managers, combined with innovative partnerships with the private sector that could help to ease the binding financial constraints.

This report summarizes the results of a four-day fact finding mission conducted 4-8 October 2010. The Report is divided into four parts as follows:

Part A - Short term opportunities
- The report welcomes the focus on delivering specific change in job creation and food production, distribution and processing.
- The Government should consider further developing its Delivery Model, as partly implied under the 'New Approach,' by creating a delivery unit in the President's Policy Unit to help promote coordination at the center of Government and to remove bottlenecks to critical reforms.
- The Report also suggests ways that Ghana might tackle some specific challenges in strengthening the role of the Presidency in promoting delivery.

Part B - Identifying and monitoring the delivery chains for food production and job creation
- Illustrating the delivery chain for food production.
- Illustrating the delivery chain for PPPs, a key component of job creation.

Part C - Implications of the adoption of the Single Pay Spine
- The report notes that the single pay spine model adopted in Ghana is somewhat different to those implemented in other countries in terms of design and sequencing – and urges that consideration is given to a delayed implementation while these challenges are resolved.
- The costs of implementing the Ghana Single Pay Spine are likely to be very significant.
- There are significant future refinements of the single pay spine arrangements which will likely be necessary – and some very urgent steps will need to be taken in the light of the fiscal situation.

Part D - Managing from the center of government
- The report identifies two key roles of the center of government (defined as the offices of the President and Vice President, and the Cabinet Office) – ensuring that government is "reliable" and overseeing reform.
- There are significant capacity gaps in undertaking these roles, requiring a more detailed technical review of staff and organizational structures. This is an urgent priority.
- If a high-level institution/mechanism – such as a delivery unit – is to be established at the Presidency level then it must be sufficiently robust to remain in place across political transitions to help drive reforms.
It will be important to minimize the risks associated with such an approach, specifically, in terms of the duplication of units and roles and responsibilities, and the need for broader buy-in from key actors across Government.

The broader public sector reforms that will likely be necessary include further work on improving inter- and intra-sectoral coordination, performance management, and using PPPs and more to achieve efficiency savings in the light of the fiscal consequences of the Single Pay Spine.

The material in this report was compiled by a team led by Nick Manning, Adviser, Public Sector & Governance, in his role as a core member of the Bank's Public Sector Performance Global Expert Team (PSP-GET). Other members of the team from the World Bank were: Ishac Diwan (Country Director), Theo Thomas (PSP-GET), Chris Jackson and Jan Joost Nijhoff (Agric), Jose L. Guasch, Peter Mousley, and Reynaldo Bench (PSD), Serdar Yilmaz and Smile Kwawukume (AFTPR). The team was greatly benefited from the support of senior experts from UNDP (Geraldine Fraser-Moleketi, Practice Director, Democratic Governance Group and Kamil Kamaluddeen, Country Director) and from CIDA (Lin Buckland, Governance Adviser, and Robert Myhara, Agriculture Adviser). Additional support was provided by Joanna Watkins, Consultant, PSP-GET.
## Glossary

<table>
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<th>Abbreviation</th>
<th>Description</th>
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<th>Description</th>
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<tr>
<td>BPEMS</td>
<td>Budget and Public Expenditure Management System</td>
<td>MOT</td>
<td>Ministry of Trade</td>
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<tr>
<td>CAGD</td>
<td>Controller and Accountant-General’s Department</td>
<td>MRH</td>
<td>Ministry of Roads and Highways</td>
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<td>CBA</td>
<td>Cost-benefit analysis</td>
<td>NDPC</td>
<td>National Development Planning Commission</td>
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<td>CEPS</td>
<td>Customs and Excise Protective Service</td>
<td>NITA</td>
<td>National Information Technology Agency</td>
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<td>CMA</td>
<td>Central Management Agencies</td>
<td>NKRA</td>
<td>National Key Results Areas</td>
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<td>ECOWAS</td>
<td>Economic Community of West African States</td>
<td>NLC</td>
<td>National Labor Council</td>
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<td>EOI</td>
<td>Expression of Interest</td>
<td>NTC</td>
<td>National Tripartite Committee</td>
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<td>FASDEP</td>
<td>Food and Agriculture Sector Development Policy</td>
<td>OHCS</td>
<td>Office of the Head of Civil Service</td>
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<td>FWSC</td>
<td>Fair Wages and Salaries Commission</td>
<td>PAU</td>
<td>Project Advisory Unit</td>
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<td>GIFMIS</td>
<td>Ghana Integrated Financial Management Information System</td>
<td>PCIU</td>
<td>Policy Coordination and Implementation Unit</td>
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<td>GIPC</td>
<td>Ghana Investment Promotion Council</td>
<td>PEMANDU</td>
<td>Malaysia’s Performance Management &amp; Delivery Unit</td>
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<tr>
<td>GoG</td>
<td>Government of Ghana</td>
<td>PFA</td>
<td>Project Finance Analysis</td>
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<td>Ghana Ports and Harbours Authority</td>
<td>PID</td>
<td>Public Investment Department</td>
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<td>GSGDA</td>
<td>Ghana Shared Growth and Development Agenda</td>
<td>PLIA</td>
<td>Policy, Laws and Institutional Arrangements</td>
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<td>HRM&amp;D</td>
<td>Human Resources Management and Development</td>
<td>PMDU</td>
<td>(UK) Prime Minister’s Delivery Unit</td>
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<td>IA</td>
<td>Investment Appraisal</td>
<td>PPP</td>
<td>Public, Private, Partnerships</td>
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<tr>
<td>IFMIS</td>
<td>Integrated Financial Management Information System</td>
<td>PPPSARS</td>
<td>Public Policy, Planning, Services, Administration and Related Services</td>
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<td>IPPD</td>
<td>Integrated Personnel and Payroll Database</td>
<td>PSC</td>
<td>Public Service Commission</td>
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<td>IRS</td>
<td>Internal Revenue Service</td>
<td>PSR</td>
<td>Public Sector Reform</td>
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<td>Local Government Service Secretariat</td>
<td>PSRS</td>
<td>Public Sector Reform Secretariat</td>
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<td>MAB</td>
<td>Ministerial Advisory Board</td>
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<td>Ministries, Departments and Agencies</td>
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<td>State Enterprises Commission</td>
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<td>Ministry of Employment and Social Welfare</td>
<td>SOE</td>
<td>State Owned Enterprise</td>
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<td>MKRA</td>
<td>Ministerial Key Results Areas</td>
<td>SPS</td>
<td>Single Pay Spine</td>
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<td>MOF</td>
<td>Ministry of Finance</td>
<td>UKP4</td>
<td>Indonesia’s Presidential Working Unit for Supervision and Management of Development</td>
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<td>MOFA</td>
<td>Ministry of Food and Agriculture</td>
<td>VGF</td>
<td>Viability Gap Facility</td>
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<td>MOFEP</td>
<td>Ministry of Finance and Economic Planning</td>
<td>VRA</td>
<td>Volta River Authority</td>
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Introduction

Despite the many public sector reform efforts undertaken over the last 15 years, government considers that public sector performance in Ghana remains largely unsatisfactory.¹ Government notes that the performance of broad, cross-cutting public sector institutional reform programs has consistently been disappointing (See note provided by government to the mission: “Public sector reform initiatives—achievements and challenges” and Appendix 1: The history of public sector reforms in Ghana). The consequence, government considers, is that in January 2009 the incoming administration inherited a myriad of macro/fiscal and micro-economic challenges, coupled with structural weaknesses in the organization and management of the public sector. These weaknesses can be located under three broad headings:

- **Downstream**: poor institutional capacity of the various ministries, departments and agencies to formulate and implement policies for enhanced service delivery to citizens.
- **Upstream**: inadequate support from central agencies exemplified most prominently in continuing cash rationing and cumbersome public service regulations.
- **Horizontal**: limited coordination between sector ministries, departments and agencies - "one of the problems identified as a cause of failure of past programmes is individual Ministry led programmes [with]….few common linkages."²

In recognition of these weaknesses in past public sector reform efforts, government has proposed a new strategy for public sector reform. The discussions on the new approach for Public Sector Reform (PSR) have been led by the Chief of Staff of the President, the Cabinet Secretary and the Minister of State responsible for PSR. Discussions have already been held with Chief Directors and a special Cabinet retreat was held in May 2010 to deliberate on how to proceed with the new strategy. At the Cabinet retreat, it was unanimously accepted that there is need for a new approach to public sector reform.

The government is not alone in its concerns. From different starting points and at different speeds, a range of countries are increasingly focused on what is being achieved for the resources spent.³ However, many countries and donors share the Government of Ghana's frustration with large scale, comprehensive public sector reforms that fail to achieve an operational focus on results (see Box 1). In the light of past disappointments, some reform programs ...

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¹ See handout provided to the mission: "A New Approach to Public Sector Reform under the Office of the President".

² Draft Coordinated National Programme on Food Production, Distribution and Processing (Mission document, 2010).

³ See (Arizti et al., 2010)

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**Box 1: The modest track record in comprehensive reforms**

A recent World Bank review of its own Public Sector Management projects found a distinctly mixed picture of successes and failures noting that, overall: "performance usually improved for public financial management, tax administration, and transparency, but not for civil service." (World Bank, 2008a, p. xi). A somewhat narrower review (Quality Assurance Group, 2008) was more sanguine and concluded that there was little evidence that Public Financial Management projects generally have better outturns than Civil Service Reform. Earlier reviews of civil service reform project outcomes also found them generally unsatisfactory (World Bank, 1999).

Other donors report similar challenges. A 2009 "stock take" of UK-funded public sector projects undertaken for DfID found that they do not perform as well as the rest of the DfID portfolio – with training and capacity building being assessed as particularly weak (Aguilhas Development Consultants Ltd., 2009). In reviewing public sector projects funded by Australia also pointed to some disappointing results (Foster, 2010, p.20).
programs entail efforts to create specific, focused programs with clear objectives and responsibilities that focus on specific "deliverables" to foster greater coordination, introduce a 'smarter' operating model, and provide a means for holding people to account for following activities through to delivery. In effect they want to focus their reform efforts on the smallest possible set of reforms that will resolve the upstream, downstream and coordination challenges necessary to achieve some of their key priority objectives – leaving other deeper and broader reforms for another day or another program.

The approach envisaged for Ghana picks up, very appropriately, the idea of driving through a small set of pragmatic changes to ensure that key objectives are met. To do this would require the establishment of a high-level institution/mechanism – such as a delivery unit - at the Presidency level that would stay in place across political transitions to help drive reforms. This is an urgent priority. At the same time, though, it will be important to minimize the risks associated with such an approach, specifically, in terms of the duplication of units and roles and responsibilities, and the need for broader buy-in from key actors across Government.

Nevertheless, it is not clear that in Ghana the larger cross-cutting institutional reforms can be left aside for later. There are urgent operational and fiscal challenges facing government that will require a two pronged approach – taking advantage of short term opportunities to deliver results in two priority areas while also preparing to manage broader public sector reforms. The fiscal challenges associated with the introduction of the Single pay Spine in its current form are enormous. If implementation can be delayed or extended, then a more orthodox approach could be followed in which the pay reforms are preceded by consideration of restructuring and the identification of efficiency savings at the Ministry, Department and Agency level.
Part A: Seizing the short term opportunity provided by the "New Approach"

The opportunity

The "New Approach" envisages encouraging and empowering sector Ministers to remove obstacles to achieving results in two key pillars of the Government's Better Ghana agenda:

(a) Coordinated National Programme on Job Creation; and
(b) Coordinated National Programme for Food Production, Processing and Distribution.

It presupposes a strong role for the center of government in identifying obstacles and in ensuring coordination between Ministries, Departments and Agencies (MDAs) as necessary to deliver results in these priority areas.

The New Approach does not seek to subvert or amend existing sector strategies – put simply it says that the center will ensure that the MDAs prioritize those parts of existing strategies that contribute to results in these areas, problem-solving as needed.

The New Approach to the PSR reform program emphasizes a "departure from business as usual." In addition to the identification of high-level programs the approach emphasizes:

- The need to work across ministries (breaking down silos);
- The identification of delivery chains and scorecards for activities to help manage the reform programs, detailing how inputs and outputs from different MDAs would contribute to the desired outcome with MDAs (ranked) according to their contribution toward achieving the ultimate outcome.

It also envisages the creation of Ministerial Advisory Boards comprised of the heads of other Ministries and representatives of the private sector and non-governmental organizations (NGOs), and the introduction of performance agreements for ministers.

The short term opportunity provided by the New Approach stems from the political consensus around the strategic objectives, the urgency, and around the more activist role of the center in achieving them. This consensus is a valuable commodity which should not be wasted.

Two initial challenges

There are two challenges that should be noted from the outset, however.

First, the opportunity for rapid action provided by this political consensus is somewhat diminished by the perception that the progress is dependent on additional resources. The invitation to MDAs to submit supplementary budget requests sent a signal that progress was conditional on additional resources. This weakens the authority of the center as it suggests that an instruction from the Office of the President is only as good as the resources that are provided with it. While the instructions from the Office of the President must always be in line with available capacity and resources, it is reasonable for the President to instruct MDAs to use their existing resources flexibly to problem solve as needed. Establishing a connection between the New Approach and budget supplementation weakened the approach from the outset – although not fatally. This is not to rule out competitive funds that are fully incorporated in budgetary assumptions. An example is provided below.

Second, the objectives were left somewhat ill-defined, allowing somewhat self-interested interpretations of the objectives to emerge. Thus, for example, the objective of job creation was interpreted as growth in
public sector employment. The promotion of private sector activity and the greater use of Public-Private Partnerships was left implicit and thus was somewhat downplayed by the MDAs in some of their initial proposals.

The Coordinated National Programme on Job Creation focuses on the creation of sustainable jobs, and therefore cuts across the activities of various Ministries, Departments and Agencies (MDAs). The budget supplementation activity suggested a challenge fund approach entailing MDAs bidding through the cabinet for additional resources aimed at sustainable job creation. Many of the initial proposals would augment the staff of the MDAs (e.g. the Ministry of Interior has proposed the recruitment of 8,640 new police, 2,633 new recruits in the prison service and 3,000 in the fire service).

Standardized score cards were developed requiring MDAs to establish objectives of specific programs, along with specifying the numbers of jobs to be created and the additional resources required. The objective appears to be that over time the emphasis would move more toward private sector job creation, notably with new Public Private Partnerships, but in the short term the emphasis is squarely on additional public sector employment (World Bank, 2009).

The Coordinated National Programme on Food Production, Distribution and Processing focuses on the goal of eliminating imports of rice, poultry and poultry products and sugar and the development of an export market for corn. As with the National Programme on Job Creation, the outputs of several MDAs are needed to assist the Ministry of Food and Agriculture (MoFA) in contributing to the desired outcomes. As examples: the Ministry of Trade (MoT) plays a critical role in ensuring that the policies are in line with the World Trade Organization's rules; the Ministry of Roads and Highways (MRH) is tasked with the development and maintenance of rural feeder roads (and other transport infrastructure required to support the movement of crops); and crop production also depends on the timely disbursement of funds from the Ministry for Finance (MoF) for fertilizer subsidies.

The "Delivery Model"

The New Approach to PSR is a problem-solving approach, rather than a standard public sector reform program. While various agents/units within government, such as the Policy, Planning, Monitoring and evaluation units in most MDAs, are tasked with driving performance improvements in broad service delivery areas, the New Approach recognizes the need to strengthen coordination and accountability both within and between Ministries around focused high level priorities - in the case of Ghana the National Programmes. While the MDAs and local governments will continue to execute their own strategies, the New Approach reflects the need for the center of Government to facilitate or drive the quest for results.

The problem-solving approach typically starts from a definition of the delivery chain. A delivery chain consists of the steps, sequential or otherwise, required to deliver a particular output or outcome. More specifically, it describes the range of activities and actors that are required to deliver a specific product or service from inception, through the different phases of delivery, considering the actors that are responsible for delivering at each phase. The steps, actors and intermediate deliverables that constitute the 'delivery chain' may be partly assumed (at least in the initial stages until more evidence based methods are available) or based on more rigorous analysis, drawing on the sector and/or Private Sector Development strategies that already exist.

4 See draft Coordinated National Programme on Job Creation, July 2010 (Mission document, 2010).
5 See draft Coordinated National Programme on Food Production, Distribution and Processing (Mission document, 2010).
Figure 1: Example of a simple delivery chain

Note: Ministry in red would be the 'lead' MDA responsible for delivering the final outcome, supported by the other MDAs throughout the delivery chain.

The "delivery model" is most often associated with "delivery units" created at the center of government. By their nature, creating a delivery unit suggests the current governmental performance system is not delivering results quickly enough or perhaps in the desired areas. Several governments have established such units at the center of government to drive performance improvements. These units may be in addition to broader reforms to improve performance, such as restructuring civil service terms and conditions to allow for more explicit performance-based contracts or delegation of financial management. These units have tended to play a distinctive, pragmatic problem solving role in many countries (see Box 2).

Box 2: Common Functions of a Delivery Unit at the center of government

The UK Prime Minister's Delivery Unit (PMDU) was created in 1998. The work program is developed through six month reviews of progress in which selected obstacles to delivery are identified that require attention. A key role of the PMDU is accelerating 'lagging' programs. It has led the reform program from the center by:

- **Monitoring Targets**, which set measurable goals
- **Monitoring Plans**, which are used to manage delivery and set out the key milestones and trajectories
- **Monthly reporting** on key themes
- **Stocktakes**, which the Prime Minister holds every 2/3 months
- **Priority reviews**, to check the reality of delivery at the frontline
- **Problem-solving/Corrective action**, where necessary
- **Delivery reports**, summarizing the government's progress on delivery every six months.

The process of 'unblocking' selected delivery outputs entails an eight week process, with a team comprised of both internal and external members, and the production of a confidential report to the Prime Minister. Another PMDU initiative has been to work with ministries to design effective and efficient delivery systems by better 'streamlining' services to improve performance from a citizen's perspective. This involves understanding 'delivery systems' and the steps customers/users must take to receive public services or benefits. One tool the PMDU employs to reveal performance bottlenecks is customer journey mapping. From a citizen-centric point of view maps are made of customer interactions with public services. Examples include passport services, marriage certificates, home buying etc. Customer journey mapping can streamline processes, expedite service delivery, reduce administrative costs, and improve customer satisfaction.

Source: PSP GET Note on "Driving Performance through Center of Government Delivery Units", 2010 (forthcoming)

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6 Examples include the UK Prime Minister's Delivery Unit (PMDU), PEMADU in Malaysia, UKP4 in Indonesia, and the US state of Maryland, Governor's Delivery Unit. Less formalized examples include the US National Performance Review, the Cabinet Secretariat for Performance Management in India, South Africa's 'Delivery Unit', an equivalent structure in China - "the Leading Group for the Economic Development of Poor Areas (LGEDPA)", and the institution that supports the President's PAC (mainly investment) program in Brazil.
Delivery units have generally undertaken the following functions:

- Focusing political pressure for results through progress-chasing on behalf of the head of government;
- Providing a simple and direct monitoring mechanism for key government priorities;
- Signaling key government delivery priorities within and outside of the public sector;
- Providing a clear signal that government is holding Ministers and senior staff to account for delivering the government’s key priorities; and
- Supporting innovation, coordination by various ministries, and providing a forum for problem solving when needed.

Delivery units exist in different forms, at different levels of government, reflecting the peculiarities of the administrative traditions and variations in the performance management approach. They are often embedded in a network of other systems and units tasked with monitoring and evaluation, planning, strategic development, policy coordination, audit and budgeting etc. Depending on the context, they are either formal (with legal mandates) or informal structures (see Box 3 for the case of Malaysia), but they require sufficient formal or informal authority from the center of Government to be able to convene key officials across government to remove obstacles, improve coordination, and obtain timely information.
In Malaysia the Performance Management & Delivery Unit (PEMANDU) was formally established on September 16, 2009 as a unit under the Prime Minister's Department. PEMANDU's main role and objective is to oversee implementation and assess progress of the government transformation program, facilitate as well as support delivery of both the National Key Results Areas (NKRA) and Ministerial KRAs (MKRAs). Responsibility for end-to-end delivery of NKRA and MKRA outcomes ultimately rests with the respective ministries, PEMANDU has been mandated to catalyze bold changes in public sector delivery, support the ministries in the delivery planning process and provide an independent view of performance and progress to the Prime Minister and ministers. To allow PEMANDU to carry out its responsibilities effectively, it combines the best talent from both the civil service and private sector.

Central delivery units tend to be small and focused on chasing delivery of specific outcomes or outputs, rather than broader systemic changes. Delivery units are generally comprised of a small cadre of highly skilled staff, often with a combination drawn from the public and private sectors, that seeks to work in partnership with MDAs. One of the largest delivery units is the UK's PMDU, with approximately 40 staff covering delivery across Government, while the Governor's Delivery Unit in the State of Maryland in the US has only five full time analysts. In Malaysia, all PEMANDU staff are on three-year contracts with the aim of preventing them from becoming "jaded" (Head of PEMANDU, 2010).

In order to prevent duplication, or their focus being diverted either to more long-term issues or overwhelmed by the plethora of Government activities, delivery units generally:

- Do not tackle broader civil service reform or budget process issues. While a delivery unit might be well placed to make observations on either of these, their focus is on removing specific

### Box 3: Delivery Units in Malaysia—PEMANDU linking to national KRAs

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<tr>
<th>National Key Result Areas</th>
<th>Performance Management &amp; Delivery Unit (PEMANDU)</th>
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<tbody>
<tr>
<td>Reducing Crime</td>
<td>Role</td>
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<tr>
<td>Minister of Home Affairs</td>
<td>Oversee implementation and progress of government transformation</td>
</tr>
<tr>
<td>Fighting Corruption</td>
<td>Support delivery of both the National and Ministerial Key Result Areas</td>
</tr>
<tr>
<td>Minister in charge of Law, PM's Department</td>
<td></td>
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<tr>
<td>Improving student outcomes</td>
<td>Responsibilities</td>
</tr>
<tr>
<td>Minister of Education</td>
<td>Catalyze bold changes in public sector delivery</td>
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<tr>
<td>Improving rural basic infrastructure</td>
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<tr>
<td>Improving urban public transport</td>
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<td>Improving urban public transport</td>
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**Source:** McKinsey Chile, 2010
bottlenecks. As discussed below, broader public service reforms are important but often take time and require a wider set of stakeholders;

- Do not substitute for the planning or policy functions elsewhere in Government—both line Ministries and the executive have separate units focusing on these upstream processes, while a delivery unit's focus is more downstream;
- Do not operate complex monitoring and evaluation systems—again this is the role of the service delivery MDAs. In Ghana, the Monitoring, Evaluation and Oversight Unit in the Presidency is developing a comprehensive M&E system, while a delivery unit requires a more high-frequency and selective monitoring and reporting framework; and
- Do not reopen discussions on the annual budget, as this would likely undermine the main budget process by opening up the possibility of an "end run" around the overall planning and budgeting exercise.

The focus of delivery units is on "just enough change." They tend to select a few performance indicators, with simple regular tracking mechanisms. Given their proximity to the center of government (the President, Vice President or Prime Minister), they can convene political coalitions to problem solve or take tough action around problem solving. For success, the units need to cultivate a service mentality, helping ministries resolve problems, providing advisory services to program managers (for example, an internal management consulting unit). While delivery units are unlikely to focus on broader systemic problems that impede public sector performance, they are often uniquely placed to note consistent or recurrent barrier or problems that arise across governments, to advise top governmental officials of these issues, and potentially foster or craft solutions (e.g. a provision of a procurement law preventing timely contracting or problems in budgeting and cash management that prevent programs from starting full operations on the first day of the fiscal year).

Using the delivery model can help improve coordination. The delivery chains can be used as focal points for cross-Ministerial Cabinet Committees and the coordination of senior civil servants. The delivery should provide an agenda around which specific activities and actions can be coordinated, and gaining prior agreement around these chains—sometimes using agreements signed by the contributing MDAs—serves to provide additional political back-up to a delivery unit.

Delivery units avoid an undue reliance on formal authority, punishment and policing. Negative incentives will generate more resistance than they can manage – including data gaming (Box 4).

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**Box 4: Motivating senior staff performance**

"Given the complexity of the linkages between individual and wider (government or ministry) performance targets, it is important that there is a clear "line of sight". Documentation and briefings should be adequate to ensure that senior civil servants can see the linkages between their targets and the higher level (and ultimately political) performance targets.

The most productive use of performance measurement is dialogue. Although in some cases control mechanisms (including parliamentary oversight) can require that action (reward or sanction) is taken automatically if performance targets are not met, this is the exception rather than the rule.

When action – in terms of either a reward or a sanction – follows automatically from performance measurements, the risks of gaming are higher.

For individual senior civil servants, clarity in performance expectations and regular opportunity for dialogue with the minister or Secretary General about obstacles or progress are the essential underpinnings of an effective focus on performance."

Source: (Ketelaar et al., 2007, p.5)
The factors generally regarded as critical for success include: (i) a limited number of explicit, public government priorities, that the unit will maintain and help improve; (ii) light, nimble data collection and reporting systems that are not expensive or onerous to operate and maintain; (iii) systematic, regular monitoring of performance to assure responsible ministers maintain a continual focus on the objective (quarterly or six monthly, versus every 2-3 years); and (iv) some value to add to ministries, in terms of removing obstacles, helping resolve coordination problems, and/or offering sound advice to enable performance.

**Limitations of the "Delivery Model"**

Delivery units do not naturally open dialogue concerning broader reforms. In Ghana, the New Approach goes somewhat beyond a typical delivery model given the inclusion of performance contracts for senior staff and Ministerial Advisory Boards.

Delivery units generally start from the premise that there is at least reasonably solid inter-ministerial collaboration, at least at the senior civil service level, around centrally-led objectives, achieved through a robust program budget and cabinet system. This does not appear to be the case in Ghana, where a program budget structure is currently being trialed and the capacity to support the cabinet and senior administrations is relatively weak.

Delivery units do not link better results with additional resources, keeping discussion of the budget separate from problem solving in delivery. Without this the discussion about performance often focuses narrowly on inputs, and particularly resource availability. This can be seen in the first round of proposals for the job creation scheme, where most MDAs were effectively 'bidding' for additional budget resources and many proposals were intended to augment their core staff rather than facilitating the creation of private sector jobs or public-private partnerships. While some form of challenge fund, to support innovative ideas for delivering better services, might be desirable this should not be the main focus for improved performance. One additional problem in the case of Ghana is that the new Single Pay Spine (discussed below) will significantly increase the wage bill, potentially crowding out investment and important recurrent spending that might undermine any approach focused on "delivery,"

**Developing the delivery chain in Ghana**

The New Approach to PSR is about delivery in core programs for job creation and food production from existing policies and programs. The crucial first step is to develop a delivery chain that explicitly links the political priority—e.g. higher food production—with the actions that government can do to influence that outcome. The basic steps in developing a delivery chain are outlined in Figure 2, starting from the definition of the main political priorities and requiring a thorough review of how the existing sector strategies contribute to the critical objectives and, critically, identifying the real-time indicators necessary to monitor progress and the locus of the authority to act if progress is off track.

---

7 Over a five year period, the UK moved from 600 to 30 priorities with an increasing emphasis on devolution and customer engagement.
Figure 2: Steps in developing a delivery chain

- Identify the absolute political priorities
- Understand budget/resource constraints and how sector strategies can assist in removing obstacles to the delivery of national priorities
- Distill the essence of agreed sector strategies
  - Identify elements that contribute to achieving the national priority goals
  - Select a small number of key metrics with care:
    - keep the strategy on track
    - are least susceptible to political reinterpretation and gaming
    - credible ex-ante justification and ex-post accountability
  - Redefine the stated political objectives in keeping with what can be achieved, rather than what is ideal

**Risks**

There are risks inherent in establishing a delivery model. First, the Government must first overcome the potential cynicism about "another" new reform program, by demonstrating how the unit can help to deliver reforms. The creation of a new centralized unit risks antagonizing or undermining the sector ministries – and of failing to understand the complexity of the sector strategies and either misinterpreting them, or of attempting to rewrite them from the center. Overly centralized control could also stifle innovation in the sectors and produce overlapping mandates (for example duplicating the constitutional role of the National Development Planning Commission). If it is to be worthwhile, the Delivery Unit would have to be able to deliver examples of inter-ministerial coordination and innovations in delivery.

**Location, functions and structure for a Delivery Unit**

<table>
<thead>
<tr>
<th>Box 5: Locating the Delivery Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>The unit should be kept simple and relatively lean with a backbone of skilled analysts. Direct access to the political leadership, in order to be able to initiate authoritative and binding problem-solving meetings of senior policy makers and senior civil servants, is important. For example:</td>
</tr>
<tr>
<td>• In the UK, the PMDU was first established in the Prime Minister’s Office, but has gradually relocated toward the Treasury (and is now jointly controlled) and focuses on 30 Public Service Agreements;</td>
</tr>
<tr>
<td>• In Indonesia, the Delivery Unit - the Presidential Working Unit for Supervision and Management of Development (UKP4) - is located in the Vice President's Office and focuses on delivery of the 11 major priorities of government;</td>
</tr>
<tr>
<td>• In Malaysia, the Delivery Unit is located in the Prime Minister’s Office, reflecting the implementation and service delivery leadership role of the PM, focusing on the KRAs.</td>
</tr>
<tr>
<td>• The equivalent unit in Chile is being developed in the President's Office.</td>
</tr>
</tbody>
</table>

If the decision is made to implement the ‘delivery model,’ the choice in Ghana will be between developing a new organization at the center of government or allocating the function to one of the existing ones. As noted above, delivery units should be positioned so as to be able to regularly advise senior policy makers, and potentially foster or craft solutions (e.g. a provision of a procurement law preventing timely contracting or problems in budgeting and cash management that prevent programs from starting full operations on a timely basis). As highlighted in Box 5, it is important that the unit is given the
full support of the highest level of the executive, with most located close to, and enjoying the direct patronage of, the President or Vice President.

The organization with the most analogous function currently is the Policy Coordination and Implementation Unit (PCIU) at the Presidency. The PCIU at the Office of the President was created in 2009, with responsibility for overseeing and coordinating the implementation of policies, programs and activities of the Government. The PCIU has started to reconcile the ongoing Government of Ghana (GoG) programs and projects with those proposed in the current Government's "Better Ghana" policy. Under the current mandate "the Unit will directly support the Sector Ministers by providing advice, where required, to ensure the various programmes and interventions developed to meet the planned development outcomes...". Wherever the function is eventually located, the unit will need to be anchored squarely around the two programs proposed in the New Approach (see Box 6 for the example of the narrow focus of the Maryland delivery Unit).

Box 6: The Governor's Delivery Unit in Maryland

In 2008, Governor O'Malley of Maryland in the US created a Delivery Unit to work with state agencies to align state and federal resources around 15 strategic goals to improve the quality of life in Maryland. The goals are broadly categorized into four key areas – skills, security, sustainability, and health. The unit is comprised of around five full time staff.

Through a process of continually evaluating state performance at the highest levels, opportunities to improve coordination and formulate strategies are ongoing - not just during annual budget reviews. At bi-weekly meetings, State managers meet with the Governor and his executive staff to report and answer questions on agency performance and priority initiatives. Each week a comprehensive executive briefing is prepared for each agency that highlights areas of concern. Briefings are based on key performance indicators from a customized data template submitted biweekly by participating agencies. Data is carefully analyzed, performance trends are closely monitored, and strategies to achieve improved performance are developed.

However, the Cabinet Secretary considers that the Policy Coordination and Implementation Unit (PCIU) at the Presidency is inappropriate for the role of the Delivery Unit on the basis that the PCIU is envisaged more as a day-to-day source of advice on the relationship between sectoral policy priorities and the Government’s larger objectives. As such it could, arguably, be seen to have a conflict of interest with any additional role of ensuring that policies were implemented rapidly as it might dilute down policy objectives in order to ensure easy implementation.

Government will need to guard against a proliferation of structures whilst encouraging the more effective functioning of the existing institutions or alternatively ensuring that those that are ‘obsolete’ are abolished in order to avoid undue duplication.

Such units need to draw on a small cadre of highly talented staff—these often combine staff from other parts of government, perhaps on temporary secondment, as well as from the private sector. They are often not permanent, nor do they need to be experts that might duplicate the skills in the MDAs. Figure 3 outlines a simple illustrative structure for a delivery unit focused on the government's two priority programs. Team leaders should provide management oversight for the joint reviews that the unit would undertake with MDAs in order to identify ways of unblocking problems in the delivery chains. They would coordinate work across programs and across MDAs, supervise problem solving and broker solutions to delivery problems. The outputs of the reviews they supervise would be reports, actions for Chief Directors and ministers, with recommendations to improve performance. The main accountabilities for the unit in Ghana, and skills required by its staff, would include:
- Managing MDA relationships and supporting the drive delivery the program outcomes and other improvements to public services; including support and challenge, and reporting progress to the President.

- Analyzing, diagnosing and providing solutions and supportive interventions to overcome problems in service delivery and performance; including management of priority reviews that lead to actions which have an impact on delivery.

- Challenging performance and helping to shape the direction of the Unit including developing tools and knowledge on key delivery issues; being a visible 'expert' on one or more key delivery issues; and wider corporate activities to support the effectiveness of the Presidency.

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**Figure 3: Simple organizational structure for a Delivery Unit**

```
Head of Policy Coordination and Implementation Unit

Personal assistant to Head

Programme for Job Creation
  Team leader
  3 - 4 Analysts

Programme for Food production
  Team leader
  3 - 4 Analysts

Policy and Planning
  Team leader
  2 - 3 Analysts
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Part B - Identifying and monitoring the delivery chains for food production and job creation

Developing delivery chains for agriculture

The importance of policy formulation

Given the structure of Ghana’s economy, agriculture is central to the achievement of national development objectives. It accounts for about one-third of Ghana’s economy, provides the primary livelihood for over half of the population, and accounts for a substantial portion of export earnings. Moreover, since food is such a large share of household consumption, food prices affect real wages and hence household incomes. Moreover, household nutritional status has a bearing on other health indicators – still important in Ghana where 14% of households are currently food insecure or vulnerable to becoming so. Consequently, developments in the agricultural sector have a large impact on broader development outcomes at the individual, household and macroeconomic level.

The complexity of the agricultural sector means that it is possible to contribute to several sector objectives through a single program. For instance, increasing the production of rice – one of the objectives of the current proposals – can reduce the dependence on food imports. If this is achieved by raising the productivity of small farmers, this will also increase household incomes – given that small-holder rice growers tend to be poor, poverty will be reduced. Conversely, if large-scale commercial farming methods are deployed in hitherto underused hinterlands, new land is opened up, and employment opportunities created. Taking the first case of small-holder farmers: how might productivity be increased? One option would be to provide high-quality seeds and fertilizers to individual farmers. An alternative would be to invest in agricultural research to generate higher-yielding seed varieties. The former is likely to be targeted and see results sooner, while the latter has a potentially larger impact, but a time lag. This illustrates the trade-offs in policy choices. Other interventions may not be in the agricultural sector at all – improved roads allows for better access and lower costs of market access, stimulating a production response absent any other measures.

How does this relate to Ghana’s proposed new approach to public sector reform and in particular the Coordinated National Program for Food Production, Processing and Distribution, which seeks to displace imports of rice, poultry and poultry products, and to export maize?

- First, there are multiple policy instruments to achieve a given set of objectives – reducing imports implies increasing production, which can be achieved through a number of alternative/complementary policy measures;
- Second, a particular route may deliver secondary benefits for complementary policy objectives – as in the example above, increasing production can simultaneously reduce poverty;
- Third, and conversely, there may be some contradictions between this stated objective and the policy of reducing food prices for urban consumers;
- Fourth, because the political cycle may demand more immediate results even if the cost-effectiveness assessment with a social (rather than a political) discount rate would argue for an alternative intervention – e.g. empirical analysis shows that agricultural research delivers an extremely high pay-off, but results are slow to materialize (World Bank, 2008b).

It is imperative that the selection of policy options seeking to effect a given policy goal are subject to both technical review as well as a cost-effectiveness assessment. This is especially important for programs that

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8 There are large differences across the country: comparable statistics for the Upper West and Upper east regions are 47% and 35% respectively. See (World Food Program and Government of Ghana, 2009).
require sustained implementation (e.g. raising education standards require continued improvement in schooling) and/or with recurrent cost implications (a new road requires periodic maintenance). In the context of economic programs, a key criteria is long-term competitiveness – without at least the reasonable prospect of competitive production. Interventions to displace imports require continual subsidies that perpetuate domestic inefficiencies and impose a heavy drain on public finances.

Policy evaluation of this kind is critical to ensure scarce public sector resources are targeted on the most effective projects and programs, and remains the primary responsibility of the lead Ministry. In the case of the agriculture sector, there are recognized weaknesses in the policy and planning process. These need to be remedied as part of generic measures to improve budgeting and planning, in order to improve the impact of public expenditure. This is a critical complementary reform to Ghana’s new approach to public sector reform – absent these improvements, the new approach risks resulting in the perverse result of doing better at the wrong things.

In this regard, the proposals put forward by MoFA under the Coordinated National Program for Food Production, Processing and Distribution raise a number of questions regarding the efficacy of the proposed measures, and risk some potential pitfalls that other countries have encountered in pursuing similar objectives. That said, the goals are broadly consistent with Ghana’s existing Food and Agriculture Sector Development Policy (FASDEP II), the existing strategy and investment plan (METASIP) and the existing medium term development strategy – Ghana’s Shared Growth and Development Agenda (GSGDA).

Constructing a stylized delivery chain: the case of rice production

The previous section described a policy formulation process for identifying the appropriate priority interventions – analogous to the initial steps in the delivery chain in Figure 2. However, the focus of the delivery chain framework assumes the policy formulation process functions properly and results in an appropriate policy instrument. At that point, the focus turns to delivery and the role and function of the delivery unit comes to the fore.

The mechanics of a delivery chain can be explained using one of Ghana’s indigenous policy priorities as a case in point – specifically the objective of replacing rice imports. The foundation of a delivery chain is a solid diagnostic study of the various constraints in the production and marketing of rice. A value chain analysis is a good analytical tool for identifying constraints and bottlenecks along the supply chain and for honing in on inefficiencies. Methodological frameworks for undertaking value chain studies are well established (FIAS, 2007) and have already been applied to the rice sector in Ghana (USAID, 2009; Foreign Investment Advisory Service, 2007). According to this study, Ghana could become self sufficient in rice by 2015 if the area under production doubles, yields increased by 50% and adequate investments are made in (i) improved seeds of varieties that meet consumer preferences; (ii) available equipment to increase mechanized production; (iii) more and better use of irrigation infrastructure; and (iv) investment in rice milling equipment. The study recommends that this should be led by the private sector, with the Government playing an enabling and facilitating role.

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9 See the aide memoire of the Joint Sector Review for the agricultural sector undertaken by MoFA and Development Partners in May 2010.
10 The revised Food and Agriculture Sector Development Policy; 2007.
11 The Medium Term Agriculture Sector Investment Program, 2010.
Figure 4 presents a simplistic representation of the rice value chain. From left to right, critical features include the following:

- The importance of adaptive and genetic research in improving seed varieties suitable to Ghana’s agro-ecological conditions and consumer preferences;
- The availability and affordability of critical inputs, most importantly high quality seed and fertilizer but including land and machinery;
- The different production systems including in particular (i) individual small-holder rice farmers; (ii) clusters of small-farmers organized under farmer-based organizations or the ‘block farm’ approach currently deployed by MoFA; and (iii) larger-scale commercial rice farms;
- Post-harvest storage, processing and marketing services; and
- Retail markets and final consumers, including institutional consumers such as the national school feeding program and the like.

Figure 4: Stylized rice value chain

For each of the nodes to function effectively and efficiently requires a degree of government intervention. The specific form of involvement will vary. At one end of the spectrum are interventions that are not targeted specifically at the sector and are broad-brush measures of a regulatory nature and/or that support an enabling environment for the private sector. Examples include competition policy, macro-economic stability that fosters an efficient financial sector, ease of doing business and the like. Similar measures with a stronger sector focus would include trade policy measures, for instance the tariff regime on rice imports that creates a price advantage for domestic producers. At the other end of the spectrum are highly targeted interventions that require a more interventionist role of the public sector within the value chain, most obviously in direct productive activities. Examples include state-run farms, the direct provision of machinery, targeted credit programs etc.

Figure 5 below identifies a number of potential constraints against each of the nodes in the value chain. These are presented as necessary remedial interventions, and presuppose a sound diagnostic (in fact, these are drawn from the actual value chain analysis). As the lead agency, MoFA is responsible for ensuring that the full range of remedial measures is in place.
While MoFA will lead the overall effort (it is ‘Ministry 1’ in Figure 1) – many other ministries and agencies will have lead responsibility for specific measures. Based on the example above:

- Agricultural research is managed by the Council for Scientific Research which reports to the Ministry of Environment, Science and Technology;
- Ghana’s school and university system is the responsibility of the Ministry of Education;
- Funding for the fertilizer subsidy needs to be released, on time, by the Ministry of Finance and Economic Planning;
- Land titles and registration of commercial land leases is the authority of the Lands Commission and associated agencies;
- The Bank of Ghana is responsible for ensuring a sound financial sector that facilities sufficient credit to the agricultural sector;
- The Ministry of Trade and Industry is responsible for Ghana’s trade policy, in conjunction with the Ministry of Foreign Affairs especially with regard to the setting of the Common External Tariff of the Economic Community of West African States (ECOWAS) members;
- The Department of Feeder Roads in the Ministry of Roads and Highways is responsible for construction and maintenance of farm-to-market roads.

Consequently, a critical step in the construction of a delivery chain is the identification of the appropriate ministries and agencies that have the primary responsibility for policies and programs critical to the successful alleviation of value chain constraints. These need to be mapped out so that the lead Ministry and the delivery unit has a clear understanding of the necessary collaboration from other departments and the other departments acknowledge what is expected of them in pursuit of common goals.
Establishing a trajectory for increasing production

Having mapped out the delivery chain in terms of remedial measures necessary to achieve program goals, the next stage is to define a realistic trajectory for delivering the objective. The current goal, as set out in the new approach, of replacing all imports of rice by the end of 2011 seems over ambitious given the technical, institutional and financial constraints. According to current production and consumption estimates, production needs to increase substantially from current (2009) production levels 234,900mt to satisfy current consumption of 576,500mt. Moreover, future market trends are likely to see an increase in rice consumption associated with changing consumer preferences as households become more wealthy and increasing urbanized.\textsuperscript{12} Consumer preferences are for higher quality long-grain and fragrant rice over local varieties, which is also cleaner and more uniform.

It is therefore important to define a reasonable, but challenging, reform path, or “trajectory,” that targets the increase in the production of each crop. The basic parameters for this trajectory should be realistic in order that credible periodic goals can be established. At the same time, they should be ‘stretch targets’ that demonstrate improved outcomes compared to a business-as-usual approach. Performance management metrics (at the level of the institution and, perhaps, staff incentives) will be derived from this trajectory so it is imperative to get it right. If the trajectory is over-ambitious the credibility of the approach is undermined, and failure can be excused against unrealistic goals. Too modest, and goals can be achieved with the status quo and without the desired transformation in behavior. Getting this trajectory right and agreeing on annual targets is critical because all the other metrics for monitoring cascade from this projection. Table 1 reports some reasonable assumptions of transformation in critical areas that underpin a possible trajectory.

Table 1: Stylized production trajectory

<table>
<thead>
<tr>
<th>Task/ Function</th>
<th>Basic Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment promotion efforts and framework for public private partnership are in place to attract commercial investors in rice production</td>
<td>At least five commercial rice farms each of 5,000ha are established; each farm achieved high yields and double-cropping.</td>
</tr>
<tr>
<td>Ongoing extension efforts and the availability of improved seed and other inputs necessary to increase small-holder productivity</td>
<td>Productivity of existing small-holders increases from 2.0mt/ha to 3.0mt/ha</td>
</tr>
<tr>
<td>Release of funds to ensure subsidized fertilizer is available in good time for harvest.</td>
<td>Funds are available for fertilizer imports of 100,000mt of appropriate compound for rice production.</td>
</tr>
<tr>
<td>Expansion of road network and rehabilitation of feeder roads rated as ‘poor’.</td>
<td>Network expands to connect new commercial farms to road network, rehabilitation continues on priority areas.</td>
</tr>
<tr>
<td>Registration of leaseholds for commercial rice farms and land titles granted to small-holder farmers</td>
<td>Commercial farms benefit from secure leasehold arrangements necessary for their investment to be realized. Continued progress on titling of small-holder farmers.</td>
</tr>
</tbody>
</table>

A simple empirical example of the trajectory of rice production, on a reasonable set of assumptions, is presented in Box 7.

\textsuperscript{12} Per capita rice consumption of urban consumers is about 38kg compared to 9.2kg for rural households. Richer, urban consumers prefer rice over coarse grains and tubers as their primary source of starch.
Box 7: Trends and production structure of rice production: 2010 - 2013

Assumptions: Yields on existing small-holders are assumed to increase by 20% per year from the average 2007 – 2009 levels. The area under block farm program increases by 5,000ha in 2011 and subsequently by 10,000ha in each of the following two years. Yields on block farm follow the same trends as the existing producers. Two large commercial farms of 5,000ha each are established in 2011 with a further 3 established in the following two years. Yields on the commercial farms are assumed to be 4mt/ha and two cycles possible. Finally, in addition a number of out-grower and contract farming schemes are established that include 2000 small holder producers in 2012 and 2013, each of which farms 4ha with yields of 4mt/ha.

Agreeing metrics for the delivery chain

Just like a business diving through a major change, this requires data to be collected and monitored at each stage in the process, including the final output. The type of data needs to be very practical and available in as short a time as possible so that emerging problems—for example, whether the Ministry of Finance and Economic Planning (MoFEP) is releasing cash payments for fertilizer on time—can be identified and quickly corrected to ensure fertilizer reaches the farmer in good time for the crop season. The collection of ‘real-time’ data therefore underpins the success of this approach. Table 2 pulls together the institutional domain of various steps in the delivery chain with some illustrative metrics that might be used for monitoring progress toward the objective, and quickly identifying bottlenecks that can then be addressed with the support of the Delivery Unit. The metrics may be crude at first, but should seek to help motivate actions to help with delivery.¹³

¹³ The Delivery Unit must be vigilant to try to ensure that the metrics are not being gamed by the MDAs, i.e. they are not creating any perverse outcomes or behaviors.
Table 2: Illustrative metrics to monitor the delivery chain for increased rice production

<table>
<thead>
<tr>
<th>MDA</th>
<th>Task/ Function</th>
<th>Some Illustrative Metrics</th>
<th>Timing of activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOFA</td>
<td>Improved extension services to increase rice yields through adoption of new technologies by small-holder farmers</td>
<td>Increase in rice yields by e.g. 20% per year</td>
<td>Set dates within the year for extension-related activities, including the approval of district-level budgets in order to manage necessary procurement and/ or expenditure releases</td>
</tr>
<tr>
<td></td>
<td>Increase the area under the ‘block farm’ program and ensure productivity targets met.</td>
<td>Increase area under block farm program by e.g. 5,000ha in year 2, and 10,000ha in each of years 3 and 4. Ensure participating farmers are achieving yields comparable with existing small-holders</td>
<td>Set targets for organizing participants, resolving land consolidation issues, and preparing activity and procurement plans for necessary tasks</td>
</tr>
<tr>
<td>MoFEP</td>
<td>Timely release of funds for fertilizer subsidy</td>
<td>Quick release of funds within X days of MoFA request to coincide with period of land preparation of agricultural cycle</td>
<td>Set service standards for expenditure release upon receipt of payment order</td>
</tr>
<tr>
<td></td>
<td>Framework for public-private partnerships established and applied to attract large-scale investors</td>
<td>Launch of PPP framework and number of secured PPP transactions</td>
<td>Regular (e.g. six-monthly) reports</td>
</tr>
<tr>
<td>MoEST</td>
<td>Confirm strategic focus of agricultural research program under CSIR meets priority needs of agricultural sector, and is adequately funded</td>
<td>MoFA and CSIR/ MoEST agree forward-looking research agenda and budget allocations for next FY and e.g. quarterly monitoring of progress in research activities.</td>
<td>As part of annual budget process and quarterly joint reviews</td>
</tr>
<tr>
<td>VRA</td>
<td>Authorization for off-take of water resources for irrigation purposes</td>
<td>Sufficient and timely approval of water extraction – e.g. x gallons to specific locations</td>
<td>Regular progress reports on agreements reach and actual usage throughout the year</td>
</tr>
<tr>
<td>Ghana Investment Promotion Council (GIPC)</td>
<td>Targeted investment promotion efforts to attract investors</td>
<td>Number of registered investments and achievement of milestones in investor business plans</td>
<td>Regular (e.g. bi-monthly?) progress reports</td>
</tr>
<tr>
<td>Lands Commission</td>
<td>Registration of leasehold agreements for commercial farms that meet social and investor requirements.</td>
<td>Number of leaseholds submitted, due diligence completed and leases registered</td>
<td>Regular (e.g. bi-monthly?) progress reports</td>
</tr>
</tbody>
</table>

This type of delivery chain, trajectory and real-time monitoring framework can be quickly developed for each of the three crops and poultry for the Coordinated National Program for Food Production, based on

14 This list is illustrative, highlighting the type of practical, real-time data that is required. More refined metrics might be developed reasonably quickly, in consultation with the different MDAs and donors. However, even crude metrics may be useful in encouraging performance.
the sector strategies already in place. (Comprehensive and empirical value chain studies can provide a helpful conceptual framework as well as empirical evidence of current competitiveness and major sticking-points.) Similar delivery chains and metrics might be developed for the program for job creation. This might help to guide the programs in the MDA’s to gradually move from staff augmentation toward supporting private sector development. One specific delivery chain for the job creation program could be the development of the public–private partnerships for financing critical infrastructure, including in the agriculture sector.

**Job creation and Public Private Partnerships**

Economic growth and job creation depends critically on infrastructure. In the case of Ghana, infrastructure (power and transport) is seen to amount to 7.5% of a firm’s sales revenues, relative to 3% in South Africa and Mauritius, 3.5% in Peru and 4% in Malaysia and Vietnam (see Graph 1 below)\(^{15}\). It is a major source of competitive disadvantage relative to other countries that translates into foregone income and lost jobs. Given the government policy, as set out in Ghana's Second Medium Term Private Sector Development Strategy (PSDS II), enterprise development is a key aspect of a job creation strategy. This requires investment in key infrastructure – covering core transport, power, water and telecommunications and more sector specialized needs such as irrigation for agricultural production and employment generation.

**Figure 6: Indirect cost to manufacturing due to poor electricity and transport**

![Graph showing indirect costs to manufacturing due to poor electricity and transport](image)

The investment requirements – particularly in the context of a non-oil fiscal deficit of 10% of GDP in 2009– are immense and currently not affordable from the public purse alone. The capital and operational costs, not to mention the longer-term employment obligations that would accompany a public sector design and implementation approach, would make this strategy prohibitively expensive. But in many cases private investment and expertise can be brought in not just for investment, but also critically

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\(^{15}\) Derived from data gathered for World Bank Investment Climate Survey work.
for the technical expertise they can provide in the financial and operational management of the initiative. The most structured forms – known as Public-Private Partnerships (PPPs) – involve the distribution of different project risks (be they, e.g., construction, market demand, foreign exchange, political risk) between the public and private sectors in accordance with each parties’ capacity to manage the risk. Public Private Partnerships are long term commercial arrangements for the delivery of public services where there is a significant risk-sharing between the public and the private sectors. It is this risk-sharing and the time-scale which distinguishes PPPs from more traditional service contracts and privatizations (see Table 3). This table provides the full gamut of service delivery arrangements from service contracts through to privatization. It is the arrangements between these two extremes of all public and all private provisions where PPPs are found in their differing forms, reflecting different distributions of risk sharing.
Table 3: Models of private sector participation

<table>
<thead>
<tr>
<th>Type of model</th>
<th>Description</th>
<th>Level of risk assumed by the private sector</th>
<th>Typical length of contract (years)</th>
<th>Source of capital investment</th>
<th>Asset ownership</th>
<th>Most common sectors in developing countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service contract</td>
<td>Contract for support services</td>
<td>Low</td>
<td>Low</td>
<td>Public</td>
<td>Public</td>
<td>– Water utilities</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>– Railways</td>
</tr>
<tr>
<td>Management contract</td>
<td>Management contract for part or whole of the operation</td>
<td>Low/medium</td>
<td>2-5</td>
<td>Public</td>
<td>Public</td>
<td>– Water utilities</td>
</tr>
<tr>
<td>Lease contract</td>
<td>Contract for management of operations and infrastructure renewal</td>
<td>Medium</td>
<td>10-15</td>
<td>Public</td>
<td>Public</td>
<td>– Water sector</td>
</tr>
<tr>
<td>Concession</td>
<td>Contract for financing, operations and execution of specific investments</td>
<td>High</td>
<td>25-30</td>
<td>Private</td>
<td>Public/private</td>
<td>– Airports/ports/rail</td>
</tr>
<tr>
<td>Divestiture/privatization</td>
<td>Contract which transfers ownership of public sector infrastructure to the private sector</td>
<td>Complete</td>
<td>Indefinite</td>
<td>Private</td>
<td>Private</td>
<td>– Telecoms</td>
</tr>
</tbody>
</table>

Source: Developed from (H.K.Yong, 2010, Table 3.4, p.20)
PPPs provide varying short, medium and longer term direct and derived job creation impacts. In the immediate short-term there are the jobs created by the PPP sponsor for construction and operation of the service (for instance of a toll road). Over the medium and long term, there is also the derived job creation effects of the PPP resulting from the broader enterprise development spurred on by the impact that the infrastructure has on production and cost functions. Again the extent of this job creation will, prima facie, depend on the relative labor intensities of the industries most impacted by the PPP investments. It is something that would first need to be assessed as part of the upstream investment appraisal.

Thus PPPs can be a key aspect of a sustainable private sector based job creation program. They are not synonymous however – other policy questions must be considered, including enterprise and skill development, labor market regulation and wage policies, and labor market institutions (see (World Bank, 2009)). For instance, key players in many PPP markets are construction firms that go beyond their initial capital works business focus and become PPP sponsors. This transition can often be facilitated by enterprise development support in form, e.g. of organizational change, project finance capacity building and skills development.

The delivery chain for the establishment of a sustainable PPP enabling environment and the development of a pipeline of prospective job-creating PPPs is set out in Figure 7 below. The Government has already embarked on some key first steps including the establishment of a specialized Public Investment Department (PID) at the Ministry of Finance and Economic Planning that can anchor an inter-departmental process of PPP identification, assessment, design, negotiation and implementation. This team is currently supported by a PPP Advisory Committee comprised of most of the key government stakeholders to a PPP program. The Government is also concluding a draft National PPP policy that is scheduled for cabinet review and approval before the end of 2010. These first actions in the delivery chain are a critical and clear signal to the private sector that the Government intends that PPPs will be one of its foremost instruments to mobilize capital and expertise to meet key binding constraints to growth and employment. A Policy that commits the government to a transparent, predictable, rules-based, competitively bid and economically (rather than politically) grounded program of public investments has been seen to be as a key requirement in order to engage the private sector - over a sustained period - in the creation\financing of these assets and the delivery\maintenance of the services they can generate.

What is also key to the success of any PPP Program initiative is the selection of first moving PPP transactions that can provide demonstration effects that crowd-in private sector interest for further PPP investments. To this end, the GOG will need to move with expedition and focus to identify 2-3 PPP initiatives that also have high employment creation potential over the short and medium term.
Figure 7: Illustrative example of a delivery chain for increased job creation through PPP

Establishing a trajectory and metrics for job creation

The next stage in the process is to define a realistic trajectory for delivering the objective. The current goal - beyond the approval of the PPP Policy, the passage of a PPP law in the first half of 2011 and the institutional changes - will be to identify, through sound economic assessment, some first moving PPPs. These “First Movers” would serve both the aforementioned demonstration effect to government and private sector alike and provide a learning process for key public service staff across the MDAs as to how to process a PPP from inception to financial close. Once these are identified then the task will be to establish full time project delivery teams within each sponsoring MDA. While it may not be possible to reach financial closure by 2012, commercial close is feasible for some selected initiatives but this will require the aforementioned fast and focused start on PPP pipeline development. The other challenge will be mobilizing the different forms of financing that will be needed in order to reach financial close on any of the likely transactions to be pursued under this first mover delivery framework. Clearly the larger share of this funding should come from the sponsor and its financial partners. But depending on the specifics of each PPP initiative, there may be need for public viability gap funding, guarantees and government support to the mobilization of a long term local currency debt financing. These are products that the private sector sponsor may not find available or with affordable prices, suitable tenor or in
currencies that can be hedged in the current capital markets. The mobilization of these financial products and services and the identification and/or establishment of mechanisms through which to deliver them will need to be addressed from the outset and in parallel with the development of the pipeline.

The basic parameters for this trajectory should be realistic in order that credible periodic goals can be established. At the same time, they should be ‘stretch targets’ that demonstrate improved outcomes compared to a business-as-usual approach. Performance management metrics (at the level of the institution and, perhaps, staff incentives) will be derived from this trajectory so it is imperative to get it right. If the trajectory is over-ambitious the credibility of the approach is undermined, and failure can be excused against unrealistic goals. Too modest, and goals can be achieved with the status quo and without the desired transformation in behavior. Table 4 outlines some possible metrics for the PPP program – assuming First-Moving PPPs in Ports, Irrigation/Agricultural warehousing and Power.
Table 4: Illustrative metrics to monitor the delivery chain for PPP Initiatives in support of job creation: 2010-2013

<table>
<thead>
<tr>
<th>MDA</th>
<th>Task/ Function</th>
<th>Some Illustrative Metrics</th>
<th>Timing of activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOFEP</td>
<td>Prepare PPP Policy</td>
<td>Cabinet Approval</td>
<td>December, 2010</td>
</tr>
<tr>
<td></td>
<td>Prepare PPP Law</td>
<td>Legislation passed by Parliament</td>
<td>June, 2011</td>
</tr>
<tr>
<td></td>
<td>Institutional Arrangements in place</td>
<td>Establishment of core team in MOFEP and formalization of a Inter-Departmental (MDA) PPP Committee – approved by Minister of Finance/Cabinet respectively</td>
<td>January, 2011</td>
</tr>
<tr>
<td></td>
<td>Selection of Prospective PPP projects</td>
<td>Three First-Mover PPP initiatives approved by Minister of Finance in consultation with relevant Line Ministry</td>
<td>January 2011</td>
</tr>
<tr>
<td></td>
<td>Establish Regulations</td>
<td>Approved per authorizing power set out in the Law</td>
<td>December 2011</td>
</tr>
<tr>
<td>MDAs (Agriculture, Transport/GPHA, Energy)</td>
<td>Establishment of Full time PPP Project Delivery Teams in each Sponsoring MDA</td>
<td>Team composition finalized with MDA Ministerial approval</td>
<td>March 2011</td>
</tr>
<tr>
<td></td>
<td>Preparation of Upstream Assessment Work of First Mover PPPs</td>
<td>Investment Appraisal and VfM Assessments completed</td>
<td>July 2011</td>
</tr>
<tr>
<td></td>
<td>Preparation of Transaction Advisory Request for Proposals (RFP)</td>
<td>Expression of Interest (EOI) Issued</td>
<td>September 2011</td>
</tr>
<tr>
<td></td>
<td>Recruitment of Transaction Advisors</td>
<td>RFP Issued</td>
<td>January 2012</td>
</tr>
<tr>
<td></td>
<td>Market Placement</td>
<td>Roadshows completed, Project Structuring documents prepared</td>
<td>January 2013</td>
</tr>
<tr>
<td></td>
<td>Commercial Close</td>
<td>Sponsor Selected</td>
<td>June 2013</td>
</tr>
</tbody>
</table>

This list is illustrative, highlighting the type of practical, real-time data that is required. More refined metrics might be developed reasonably quickly, in consultation with the different MDAs and donors. However, even crude metrics may be useful in encouraging performance.
This type of delivery chain, trajectory and real-time monitoring framework can be quickly developed for each PPP transaction as well as for the overall Program.

A key determinant of the pace of PPP project development and implementation is the availability of suitably tailored finance to meet key project risks. This is often especially the case in new or embryonic PPP markets where expertise, finance and political economy (eg regarding the setting of user fees) are still be established and market awareness and experience is limited. Among the different instruments that can help address these start-up challenges is what is often referred to as a Viability Gap facility that can be built into the budget process. It is essentially a competitive fund established to promote more rapid take-up of PPP options. Key to its success is well designed eligibility and performance criteria and transparent and efficient implementation. It is an instrument, as detailed in Box 8 below, that is best managed from the centre of Government which can be accessed by sponsoring line ministries, subject to a competitive process that serves to ensure: (i) that the monies go to the highest government PPP priorities; (ii) that allocations conform with the most cost-effective use of public funds while also; (ii) signaling to private investors that the government has a long-term market based means to assist in the financing of PPPs.

**Box 8: Viability Gap Facility**

**Why a Viability Gap Facility?** Given demand estimates and willingness and ability to pay assessments across many of the infrastructure sectors in emerging and developing markets, it is anticipated that – with the exception of telecommunications – much of a country’s core infrastructure will continue to require substantial public sector investment over the coming phase of development. The capital cost and revenue structures of many infrastructure developments will preclude wholly commercial financing solutions, but do not need to exclude private sector investment and expertise, provided the commercial “viability gap” can be closed. A Viability Gap Facility (VGF) can be a key part of the overall infrastructure financing solution. The VGF will provide up-front funding to cover a certain amount of the project cost. In the case of the Indian VGF this is capped at 40%.

**Responding to Public-Social and Private-Profit Requirements of a PPP.** The balancing of social and economic considerations often results in tariff rates for different infrastructure (power, water, transport) that are not cost recovering. This can be due to limited traffic – for instance on key road networks – that would imply exorbitant tariff rates for the investment to be viable for wholly private finance. In other instances, where the end user has become habituated to low prices and poor service there may be widespread consumer (ie voter/political) resistance to an abrupt move to higher tariffs, particularly before there is any credible evidence of improved service. Where this is the case, private investment is not going to be forthcoming. The government has two policy routes from which to choose. It can decide that the investment has sufficiently high social and longer-term economic value to make it a priority for full public procurement. Alternatively it can decide to consider a PPP that would require a public contribution, most commonly in the form of a contribution to the upfront capital investment as this is most often the biggest hurdle for a private sector operator looking to structure financing for a PPP. The objective is to close a “viability gap” and provide a potential profit margin to the transaction sufficient to crowd-in private investors.
Preparing Projects for VGF Allocations. For a VGF allocation to be considered for a prospective PPP, upfront assessment work is required. This would include a determination as to whether an investment is a government priority, whether it is justified from an economic viewpoint and whether it is suitable for a PPP structure. This would entail confirmation that the project is part of the National Investment Plan, followed by a standard cost-benefit analysis (CBA) to determine the overall economic merits. Then a “value-for-money” (VfM) exercise to determine if a PPP arrangement that could deliver the investment at an overall lower cost and better service quality through the involvement of private operators and financiers versus a strictly public financing arrangement. This upstream investment appraisal work is a fundamental first stage exercise in determining the public merit of an investment, the PPP rationale and to lay the foundation for the detailed PPP project development, structuring and financing that will then follow.

The Competitive Aspect of a VGF: The other important feature of the VGF is the competitive process it utilizes and the additional cost discipline that this introduces to the VGF allocation exercise. VGF funding should be competitively awarded. In the case of India this is done by awarding the VGF funding to the bidder who submits the proposal for the lowest VGF allocation consistent with the technical, operational, market and other specifications laid out in the VGF bid documents. Given this market approach and the intent to make VGF available for more than one sector, the VGF is typically administered through the central agency (Ministry of Finance). This serves to ensure that the funds available under a VGF go to the best and most cost effective proposals. Moreover as these funds are separate from MDA budgets, it provides incentives for line ministries, who are the government sponsors of the PPPs in the different sectors, to conform to Government-wide PPP Policy, focus on related eligibility and preparation requirements with the overall result of better appraised and more market ready projects.
Part C: Implications of the adoption of the Single Pay Spine

The challenge

The Single Pay Spine as under implementation in Ghana is unusual in two ways. It has an unusual design which will restrict its capacity to adjust to the requirements of specific occupational groups, and it has been introduced in advance of any moves to restructure or otherwise find efficiency savings in the Ministries, Departments and Agencies. As such, it raises the risks of locking in some inefficiencies within the public sector while also locking in some rigidities in future pay reforms as any changes to the grade structure for one occupational group will apply to all. There are strong grounds for considering a delay in implementation while both of these issues are considered.

The distinctive nature of the Ghana Single Pay Spine

A single pay spine is a well-established device for facilitating the implementation of a public sector pay policy that can balance the often-conflicting objectives of improving internal equity within the public sector, locating pay levels relative to external private sector comparators, and framing public sector pay negotiations within an over-arching cap of fiscal affordability.

In essence, a single pay spine is a framework which provides clarity on pay relativities within the public sector - allowing pay to be related to job weights, providing benchmarks against which private sector levels of remuneration can be compared, and facilitating rapid modeling of the impact of diverse pay reforms to ensure fiscal feasibility.

As such, a pay spine does not, of itself, have any particular fiscal impact. Pay policy in the sense of adjusting pay levels is a separate question that arises in determining how it should be used.

The Government of Ghana White Paper on Single Spine Pay Policy was issued in November 2009, and implementation was initiated in July 2010. The model chosen differs markedly from single pay spines as implemented in other countries and should really be viewed more as a package of pay spine and pay policy measures and refer to a very distinct type of single pay spine. The package includes:

- A pay spine based on a new single grade structure of 25 Levels for the whole public service, and entailing rationalization of some allowances. The pay spine proposal is very unusual as it corresponds directly to a single grade structure – rather than acting as a spine along which various occupational grades can be placed.
- Some pay policy reforms comprising:
  - Proposals for moving all jobs onto the single grade structure, based on a re-grading of jobs that are presently paid inequitably (i.e. pay equalization)
  - Proposals for decompressing the pay structure by awarding selective pay increases at middle and higher levels.
  - Substantial across-the-board pay increases.

Generally a single pay spine serves as a common pay reference for several grade scales, whilst allowing those separate grade scales to exist to meet the different career requirements of different occupational groups, as illustrated in Figure 8. This is an important arrangement where occupational groups have different career requirements. Teachers are an obvious example, since they are likely to remain in a single teaching grade for much of their career, but need to be provided with the opportunity for salary progression without changing grade. In the usual model, after fixing the relative worth of all jobs in all grades, money values can be assigned to the single pay spine to determine pay for everyone.
Whenever pay is reviewed in such systems, all the employer needs to do is to change the money values allocated to the single pay spine, and the pay for all levels in all grades will automatically be changed while preserving pay relativities between grades. Pay bargaining is centralized. This system is simple, easy to administer, and is widely used around the world.

The standard single pay spine approach is not what is being implemented now in Ghana. The Ghana mechanism places all jobs within an initial single grade scale of 25 Levels, and with each Level comprising between 7 and 15 steps. Pay is then allocated to each step within each level, effectively combining a single spine and a single grade structure and producing several shortcomings, of which the most significant are that:

- By using one grade scale for everybody, the structure does not recognize the different career requirements of different occupational groups. It is, therefore, unlikely to provide a satisfactory basis for managing the careers of many staff, and does not provide a structure that meets the needs of the organization.
- This kind of structure is inflexible. It becomes very difficult to make any changes to the grade structure for any occupational group, which might be justified, without making similar changes for all other occupational groups.

There are also some technical challenges in the accompanying pay policy objectives. Above all, it appears that there is little current concern to relate public sector pay to that wage rates available in the relevant private labor markets. In many countries, government takes care not to be a 'pay leader', but to position pay where it lags just behind private pay, with the difference compensated by the relatively greater job security in the public service. In the current plan, there is no attempt made to pay public services jobs the market rate for the job.

The challenges that any single pay spine arrangement raises are:
- They presuppose that there is clarity on government pay policy (the proportion of GDP that the public sector wage bill should represent, the approach to be taken in ensuring competitiveness with private sector for scarce skills, etc.) – leaving the pay spine solely as the mechanics of implementing pay reform. This, in turn, presupposes that there is clear ownership within government for pay policy – and that the separate actors involved in implementation of the pay policy via the single pay spine (SPS) have a distinct and complementary role.
• They assume that conflict of interest in pay negotiations has been managed by removing Directors and Chief Directors from wage negotiations, as inflation at one point in the spine can have consequential inflationary impact on other points.  
• They assume that most allowances have been consolidated within base pay, to avoid any end runs around the pay negotiations through further discussions about the allowances.  
• They assume that the relationship between the pay round and the budget preparation process is constructed so that wage negotiations are completed before the budget is submitted to parliament.

The specific and additional challenges that the Ghana model raises are:
• Singe pay spine arrangements require extensive data to allow costings to be estimated on the basis of personnel characteristics and job requirements. It is not clear that these data are available in Ghana and the extension of the SPS to staff not on the Controller and Accountant-General's Department (CAGD) payroll will take implementation into areas where the data are particularly weak.
• There are few good data on public-private sector wage comparisons, although there is evidence of a 25% premium for public sector staff (World Bank, 2006).
• To date, the pay reform process has preceded necessary organizational restructuring. The public sector in Ghana can be characterized by a large amount of staff at lower levels, few staff in the middle, and staff in the wrong positions, as well as the presence of obsolete positions and organizations. This suggests that prior to implementing the new SPS, MDAs should try and undergo internal rationalization to address these underlying problems. This would generate the resources to pay for the SPS and to hire the needed middle management.

The costs of implementing the Ghana Single Pay Spine

A single spine does not have, per se, a significant fiscal impact. A single spine may normally be introduced at minimal cost by simply constructing a spine with a suitable range of pay points, and moving all jobs onto the spine at the next nearest point to the current pay for that job – even though that might not be the correct pay for the job based on the recent job evaluation.

In the plan under implementation, re-grading will result in pay increases for those jobs whose pay is currently less than the rates of pay assigned to those jobs in the new single grade scale. In addition, there are specific ‘conversion’ payments to move staff up the Steps within their new Level on the basis of their length of service. These are one-off costs of conversion to the new grade scale only. In addition, the current proposal envisages an initial across-the-board pay increase.

In the current scheme, the key variable is the relativity between each of the 25 levels in the spine. Government has agreed with the trade unions that this relativity will reach 2% by 2012, that the lowest pay level (which ultimately drives all the others via the relativity between levels) will be negotiated annually, and that the allowances that were not incorporated into base pay will be negotiated every two years. This latter negotiation will remain at the sectoral level, with the consequence that, "unlike normal pay spines, which need only one round of negotiations, the proposed structure calls for ten rounds of negotiations… thus missing out on one of the key benefits of a standard single spine…” (Government of Ghana White Paper, November 2009).

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17 A separate point that arose during the mission has been the challenge in career pathing within the Public Service and the challenge of aging Senior Management/Chief Directors without a clear “succession strategy”. A strategy must be developed to deal with this as a matter of urgency.
Calculating the likely annual costs of the SPS under implementation is challenging, but early work suggests that the order of magnitude of the additional increase on an already increasing wage bill is some 40% (Figure 9).

**Figure 9: Projected public sector wage bill**

![Projected public sector wage bill](image)

Note: assumes step relativities at 2% from 2012 (1.7 in 2010, 1.8 in 2011),
Source: World Bank staff calculations

This total could be reduced in the current year by deferring payment – but the arrears generated will have to be paid ultimately.

In any estimated costings, the average increase in the wage bill will conceal large difference across public sector services and institutions. For instance, the wage bills for the armed forces, the police, and security services would likely see large increases, while the wage bill for the medical staff in the Ghana Armed Forces and the public servants in Public Policy, Planning, and Administration and Related Services (PPPSAR) would likely remain more or less constant. This is a result of the large differences in average remunerations that already exist across and within these services and institutions. It is not clear that these would lead to improvement in retention in areas of scarce skills.

**Short term steps**

**Renegotiate and seek agreement on delayed implementation**

The impact of the SPS as currently formulated is such that government may wish to approach the labor unions with a view to renegotiating the timetable for its implementation. Under any circumstances, government should consider developing a consensus-based model for estimating the fiscal impact of implementation that can be used in reviewing options.

**Seek urgent efficiency savings**

MDAs must be encouraged to find savings where and when possible – both in order to offset some of the fiscal impact of the implementation of the SPS and to signal very clearly to the public sector that the
agreement as currently formulated will have significant impact on employment levels. Potential measures include:

1. If they lose staff, then they should be allowed to retain savings from vacant positions – for the remainder of the FY. Currently, there is no incentive to keep posts vacant as salary and emolument savings are not retained by the entity.
2. The National Information Technology Agency (NITA) is providing opportunities to consolidate administrative functions across MDAs.
3. The replacement of the manual accounting system with Ghana Integrated Financial Management Information System (GIFMIS) should provide scope for reducing financial management staff.
4. The current recruitment freeze is ineffective at the lower levels, but at the more senior seems to have contributed to a potential succession problem relating to an aging senior management (Chief Directors) with little prospect of internal renewal. Setting an establishment ceiling with an absolute freeze on recruitment above those totals could provide an effective constraint to continued hiring.
5. In establishing such a ceiling, there is an opportunity to review/rationalize the numbers of lower grade/support staff.
6. Irregular entry to the payroll is reported to be a continuing phenomenon. Further work on establishment control and payroll management is essential.
7. MDAs should attempt to rationalize positions to help eliminate redundancies and create savings.

**Likely necessary future refinements of the single pay spine arrangements**

Any SPS requires frequent maintenance, but the Ghana model is likely to require considerable modification over the next few years in relation to: the role of the Fair Wages and Salaries Commission (FWSC) in the wage negotiation process; reconfiguring the roles of the many key agencies involved in setting pay policy; avoiding conflicts of interest in pay determination for senior staff; reconfiguring the budget timetable so that the fiscal space determined in the budget process informs the wage negotiations rather than vice versa; and in disaggregating the grade structure.

**Managing wage negotiations**

One of the key underpinning principles is that of a unified approach to pay determination through a linked set of pay bargaining arrangements between government and organized labor, leading to linked pay settlements. That shift requires that institutional responsibilities and functions are clearly defined. Central to this question is the role of the FWSC which was specifically created to undertake multiple responsibilities for public sector pay reform and management.

The Fair Wages and Salaries Commission Act, 2007 provides the basis for a body that can serve the essential function of facilitating the collective bargaining process in order to reach sustainable and binding agreements reached within the context of a budgeted fiscal envelope and an agreed government pay policy stance. This role is underpinned by s.(2)(c) which states that the FWSC is tasked "to undertake negotiations where compensation is financed from public funds."

This could be interpreted positively as placing the FWSC in the position of a "Central Collective Bargaining Council/Chamber" - a forum where organized labor can negotiate with government, in its role as employer, to reach agreement on reforms to remuneration and conditions of service. This interpretation is to be welcomed. The importance of the role of Central Collective Bargaining Council is that this can avoid continued fragmentation in the collective bargaining process and so also avoid ratchet bargaining. This does not exclude the need for sectoral bargaining. This suggests a referee model for the FWSC.
This function is accompanied by a further legislated task as s.(3)(g) provides the FWSC with a coordination, management and monitoring role, which seems to replicate that of the National Labour Commission (NLC). The FWSC also has an advisory role on a range of matters ranging from remuneration to detailed Human Resources Management and Development (HRM&D) issues; e.g. to 'develop and ensure implementation of grading and classification structures;' and, amongst others, to 'review of standard job evaluation methodology.' This monitoring and advisory role is not inconsistent with the "Central Collective Bargaining Council/Chamber" task of the FWSC, providing of course that the two tasks are clearly separated. However, these responsibilities are also shared by the Public Service Commission (PSC) and the Local Government Service Secretariat (LGSS).

In addition, however, Section 3 of the legislation also provides the FWSC with the task of "implement(ing) public service pay policy". This is consistent with what seems to have been the role of the FWSC in recent months, and has taken the FWSC from being a referee to a player as it seems that, de facto, the FWSC acts as the employer representative in pay bargaining with organized labor.\(^{18}\) Managing the roles of referee and player in negotiations presents significant challenges as the roles undermine each other.

The role and capacity of the FWSC will likely require considerable further attention.

**Developing pay policy**

Recent events suggest that this year's pay bargaining process was not located within a clear and politically agreed pay stance of government. Generally, such a stance or mandate from government is granted from a special cabinet committee, with ministers for those sectors that constitute the largest employees or are strategic in relation to the wage bill as members. The purpose of the committee is to mandate the employer (in terms of the actual wage dispensation within the fiscal envelope) and confirm the broad principles and strategic objectives that government as employer wishes to achieve.\(^{19}\)

Institutional responsibility for devising and implementing pay policy in Ghana rests principally with the agencies within the Office of the President, the Ministry of Finance and Economic Planning (MOFEP) and the Fair Wages and Salaries Commission (FWSC) under the Ministry of Employment and Social Welfare (MESW) (see Table 5).\(^{20}\) Given the problematical nature of current pay policy and the seeming inability of key agencies to manage it within fiscal constraints, it seems probable that further refinements will be necessary to ensure that these agencies collectively contribute to an unambiguous political mandate within which pay discussions take place.

\(^{18}\) As a comparator, in South Africa the Representative of Government as employer is the Deputy Director General in the Department of Public Service. The Minister of Public Service and Administration is the Employer and responsible for the overall conditions of service of public servants and the wage bill.

\(^{19}\) In South Africa, the "Mandate Committee" comprises: Minister of Finance and Deputy(ties); Minister of Education; Minister of Health; Minister of Safety and Security/Police; Minister of Defense; Minister of Justice; Minister of Correctional Service. It is not a formal Cabinet committee.

\(^{20}\) Fair Wages and Salaries Commission Act, 2007, s.3(a) states: *To achieve its objects, the Commission shall (a) implement public service pay policy, except the determination of emoluments under article 71 of the Constitution. Section 71 of the Constitution relates to payment of salaries and allowances to constitutional officers and bodies (e.g. the President) and the judiciary.*
### Table 5: Agencies with key pay policy functions

<table>
<thead>
<tr>
<th>Agency</th>
<th>Key Responsibilities</th>
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</table>
| Office of the Head of Civil Service (OHCS) | Advise Government on employment policy formulation within the Service; Initiate action on pay policy for the Service; and determine and advise on manpower limits for the Service; and, monitor line agency oversight of subvented agencies.  
| Ministry of Finance and Economic Planning (MOFEP) | Advise on and manage the government’s fiscal policies and in collaboration with the bank of Ghana, macroeconomic policy; identifying the fiscal envelope within which pay negotiations should take place; with inputs from the Ministry of Employment and Social Welfare (MESW) and the Fair Wages and Salaries Commission (FWSC), developing the government’s stance for the annual pay negotiations; and monitoring the fiscal status of subvented agencies including wages.  
22 The Integrated Public Payroll Database (IPPD) Management system was established in 1995, upgraded in 2005 and rolled out to all MDAs in 2006. It was announced in June 2009, that IPPD2 is being replaced by a new IPPD3 system. The system, however, has not functioned with the level of control needed and the process of entering new recruits and deleting employees who exit employment at the MDA level has been misused and not properly monitored. This has resulted in some service sectors, particularly the Ghana Health Service and the Ghana Education Service, growing beyond their allocated headcount.  
23 Fair Wages and salaries Commission Act, 2007, S.3  
| Controller and Accountant-General’s Department (CAGD) | Under the direction of MOFEP:  
• Ensure effective payroll administration and monitor and analyze the payroll by pay centers including delays in payments and arrears;  
• Advise on technical issues associated with payroll management effectiveness and efficiency; and incorporate subvented agency salaries into the IPPD database and monitor them.  
22 The Integrated Public Payroll Database (IPPD) Management system was established in 1995, upgraded in 2005 and rolled out to all MDAs in 2006. It was announced in June 2009, that IPPD2 is being replaced by a new IPPD3 system. The system, however, has not functioned with the level of control needed and the process of entering new recruits and deleting employees who exit employment at the MDA level has been misused and not properly monitored. This has resulted in some service sectors, particularly the Ghana Health Service and the Ghana Education Service, growing beyond their allocated headcount.  
23 Fair Wages and salaries Commission Act, 2007, S.3  
| Ministry of Employment and Social Welfare (MESW) | Providing inputs into public sector pay policy (including subvented agencies) concerning public service salaries relative to private sector counterparts; and, developing a comprehensive National Manpower Development Policy.  
23 Fair Wages and salaries Commission Act, 2007, S.3  
| Fair Wages and Salaries Commission (FWSC) | The FWSC is to ensure: fair, transparent and systematic implementation of the government’s public service pay policy; objective consolidation of allowances and benefits; and proper management and co-ordination of decisions related to salaries, wages grading, classification and job analysis.  
24 It seems also to have had acted as the employer representative in pay bargaining with organized labor.  
23 Fair Wages and salaries Commission Act, 2007, S.3  
| State Enterprises Commission (SEC) | Provide strategic management of the State Owned Enterprises (SOE) sector; to act as the vehicle for abolition, divestiture (mainly through privatization or commercialization); and to improve the performance of SOEs, including reducing their dependency on budget subventions.  
| Public Sector Reform Secretariat (PSRS) | Accountabilities of the PSRS appear to be: development of a cohesive PSR program to address the reform priorities of government; oversight and monitoring of the current, rather limited, PSR program inherited from the previous administration; and, coordination of the PSR work that is currently undertaken on a variety of reform issues by the various public services through government and donor initiatives.  

**Pay determination for senior staff – avoiding conflict of interest**

To date, senior staff at the Director and Chief Director levels have been directly involved in wage negotiations specific to their sector MDAs. Essentially senior management staff act as the employer in these negotiations, while simultaneously being employees. This conflict of interest should be removed by...
ensuring that senior staff are not involved in wage negotiations that have an impact on their own remuneration.

Separating such staff from the negotiation rounds would require the development of a mechanism which would separately deal with remuneration for these staff. The FWSC legislation could be used to develop one such mechanism. There is provision within the legislation for the establishment of committees which could allow for the establishment of a special committee to deal with the salaries of the senior management (service/cadre) if so decided. Equally, similar mechanisms could be developed within the National Labour Commission (NLC) which is more independent than the FWSC, or even within the PSC. Both of the latter options would require legislation to amend the powers of either of these bodies.

The budget timetable

Ideally, the timetables for the budget process and the pay round would be carefully aligned so that the fiscal space determined in the budget process informs the wage negotiations rather than vice versa.

There are five important foundations for the alignment of pay negotiations with budget preparation, so that the wage bill and the overall fiscal balance are kept within already agreed expenditure boundaries:
1. Wage negotiations should begin after the annual budget guidelines are issued and are completed before the budget proposal is submitted to Parliament
2. The information provided by MDAs in their wage bill submission should be accurate
3. Wage negotiations should be finalized at the same time with all public service unions
4. A common data set of core information relevant for the budget preparation and pay negotiations should be developed, including data on wage variations across the public sector
5. Simple payroll modeling software should be used to examine options for bringing the total wage bill to more sustainable levels.

Disaggregating the grade structure

The proposed combined pay spine and grade scale could be used as a point of entry to get to the more usual model for a Single Pay Spine scheme, in which a single spine serves as a common pay reference for several grade scales, whilst allowing those separate grade scales to exist to meet the different career requirements of different occupational groups.
Part D: Managing from the center of government

The roles of the center - ensuring that government is "reliable" and overseeing reform

One way of envisaging the role of the center of government is to look at its capacity to keep government "reliable" – that is to ensure that government does what it has indicated that it intended to do through its policy statements and political manifestos (Blondel and Manning, 2002) – and its capacity to manage, with restraint, cross-cutting institutional reforms.

Ensuring "reliability"

The most well-intentioned governments find their well-publicized policy commitments to be unaffordable, unrealistic, stalled or superseded by the crisis of the day, or swamped by a multitude of unanticipated ministry priorities. Ultimately, they can be forced to break their promises.

Government promise-breaking can, of course, be the result of idiosyncratic or cynical political motives or unforeseen external events that encourage governments to say one thing while doing another. However, much government promise-breaking is the consequence of institutional failures which provide opportunities and incentives for governments repeatedly to change their mind or promise more than they can deliver. Ministers and their departmental bureaucracies can also be confronted with similar opportunities and incentives.

One key role of the center of government is to minimize these incidents of "unreliability," and to manage the consequences when they inevitably happen. This is an important task as the consequences of government promise-breaking extend beyond public cynicism and include economic losses and failures in government service delivery.

Figure 10 shows the four stages of the policy process at which unreliability can occur. "Collective unreliability" refers to systemic institutional weaknesses that affect all sectors, "ministerial unreliability" refers to failings within sectors and MDAs.

Figure 10: Where "unreliability" can occur in the policy process

Source: (Blondel and Manning, 2002, Figure 2) and (World Bank, 2003)
Capacity needed at the center to ensure "reliability"

The arrangements at the center of government – the President's Office, the Vice President's Office, and the Cabinet Office – should pass the following tests at each of the four stages of the policy process (Evans and Manning, 2003):

Stage 1: Is there adequate capacity to ensure feasibility in broad policy commitments?
- Does the center of government identify priority policy commitments (e.g. government program, President's address to parliament, etc.), review them to determine the degree to which they are costed individually and globally affordable?
- Does the center ensure that sector priorities are in line with broad national policy objectives?

Stage 2: Is there capacity at the center to ensure quality in the departments' preparation of policy and budget proposals?
- Does the center ensure that departments are preparing detailed proposals of adequate technical quality and with appropriate cost estimation, and without insertion of unauthorized policy positions into draft legislation or other commitments?

Stage 3: Does the center ensure that budgets match responsibilities and that procedural obstacles have been removed or mitigated with the likely reaction of external veto players anticipated?
- Can the center ensure that slots are found in the legislative program?
- Can the center ensure that the line departments cannot mount a defense against being held to account for implementation failures by pointing to external constraints?

Stage 4: Does the center monitor Departmental implementation?
- Can the center realistically monitor, foresee and deter, non-implementation of cabinet decisions by line Departments?

Staffing and organizational arrangements at the center of government in Ghana

The mission has not had opportunity to work with the key units at the center of government in Ghana to review the capacity in these four areas. However, anecdotal evidence suggests that there are some significant capacity constraints. In addition, the implications of recent reforms and the establishment of new units are not yet clear. The appointment of a Minister operating from the Presidency to lead the public sector reform agenda and to establish within the Office of the President a Public Sector Reform Secretariat (PSRS) as a policy, coordinating and monitoring group on public sector reform (PSR) may point the way towards a broader structural reform of the center of government. A comprehensive functional review of the center of government may be a useful next step.

Capacity constraints in the President's and Vice President's offices seem to be particularly present in relation to stages 1 and 3 of the policy process.

The extensive technical assistance provided by CIDA to build the capacity of the Cabinet Office has undoubtedly contributed significantly to the capacity of the center to manage stages 2 and 4 of the policy process but, again, a more detailed technical review is ideally necessary.

In all aspects of the policy process it is important to note that policy is managed, not made in the center of government. Line departments must have the competence and responsibility to make policy proposals within their social and sectoral field. At the same time, the center cannot supinely accept
whatever is thrown their way. They must add value to the quality of policy coming forward, and they do this by achieving a sufficient, but not excessive level of authority and influence, supported by the right blend of skills and a constructive rapport with line departments.

The challenge of managing broader public sector reforms

The observations made earlier that the track record of cross-cutting institutional reform is weak is not to say that therefore nothing can be done other than the tactical use of a delivery model.

Clearly, there are weaknesses in the arrangements for human resource and public financial management. A recent assessment of public expenditure and financial accountability arrangements rated Ghana as weak in relation to the credibility of the budget (very particularly concerning the expenditure out-turns compared to original approved budget) and in relation to intergovernmental fiscal relations. The system also shows very limited capacity in all aspects of multi-year planning, expenditure policy and budgeting. Budget execution is undermined by limited predictability in the availability of funds for commitment of expenditures and effectiveness of internal controls (Ecorys, 2009). These weaknesses will need to be addressed, although likely this will be through modest and incremental programs.

Any competence of the center of government to oversee broader reforms must be made in the light of the decision concerning the "Delivery Unit" and of the rather complex and overlapping roles of the central agencies set out in Appendix 2: Roles and Accountabilities of Central Management Agencies.

Broader reform programs will address budget process challenges and will see the introduction of the next generation of financial management information systems. There are, however, two particular dimensions of the broader reforms that have a close link to the delivery model and that the center of government will need to oversee:

1. Improved inter- and intra-sectoral coordination
2. Strengthened performance management.

Improving inter- and intra-sectoral coordination

Work is underway to improve coordination, partly through the establishment of Ministerial Advisory Boards (MABs) in each ministry which have a responsibility to:

- Promote constant interaction between the ministry and users of its services; and
- Advise the sector Secretary on adjustments in policy directions, planning objectives and operational strategies.

To this end, the MABs include an equal number of public and private sector board members, except for the chairman, the Secretary and the Chief Director of the relevant ministry who are additional members. Part of the responsibilities of the MAB is oversight of the subvented agencies mapped to the relevant ministry, the signing of annual performance agreements with each agency and monitoring the performance, including the financial performance, of each agency. However, although performance agreements seem to generally be signed, performance monitoring by the MABs and the imposition of sanctions for poor performance against the agreements, seems to be rare.

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26 Civil Service Act ss. 39-40
27 The positions of Secretary and Deputy Secretary have since been abolished, with ministries being headed by Chief Directors. The proposed new Civil Service Law will revert to the 1993 arrangement for senior ministry staff, if legislated, with ministries being headed by Permanent Secretaries.
It remains to be seen how strong a mechanism these MABs will provide. There is a rich international experience to draw on (Box 9).

**Box 9: Advisory Boards and Management Boards**

Collective boards as a management device are historically very common in the public sector. 19th century Britain was "swarming with boards" (Schaffer, 1956) quoted in (Wettenhall, 2006). The "administrative revolution" in the UK in the 19th century converted most of the organizations that the boards headed into what we now recognize as Westminster-style ministerial departments and elected local authorities. This was under the then-emerging doctrine of ministerial accountability. The early US states were very partial to bodies with managing boards also. President George Washington's first federal government was distinctive as it preferred single-headed executive departments (Fairlie, 1930) quoted in (Wettenhall, 2006). The early 20th century Progressive Era in the USA saw the return of many Management Boards in the USA. "The feeling was that groups of citizens appointed for fixed terms of office could represent the public interest better than either elected officials (who at the time were seen as too beholden to political machines) or solitary administrators (who could be hired or fired at the pleasure of machine politicians)." (Mitchell, 1997).

Advisory Boards are still relatively common in government bodies, while Management Boards which have been prevalent at different periods in public administration, are now less commonly found, with the distinctive exception of the UK. The election of the Labour Government in 1997 saw the launch of a major program of "boardization". They were voluntary (although strongly pushed) until the issuance of a Treasury guidance note in July 2005 (Professor Sir Andrew Likierman, 2005). Their role is to be strengthened by the new UK government – ministers are to be the chairs and the boards should include other ministers as necessary (Cabinet Office, 2010).

The UK arrangements for appointing Board members now entail somewhat intricate oversight arrangements with, for example, oversight from the Office of the Commissioner for Public Appointments, for England (Mctavish and Pyper, 2007). Management Boards in UK ministries tend to be advisory, and when they have a managerial function it tends to be restricted in focus to the management of operations rather than forward planning. All boards in UK ministries are chaired by the permanent secretary, and comprise between 6 and 14 members. Non-Executive Directors make up one third of all board members (Parker et al., 2009).

Most recently, Australia has pushed back against the idea of Management Boards, on the grounds that they confused lines of accountability (Uhrig, 2003).

**Performance management**

The intention of government to introduce scorecards for ministers and performance agreements between ministers and their senior staff has some potential, although it also carries some risks.

The "Delivery Model" requires that some scorecards are maintained that demonstrate quickly and convincingly to all parties where any bottlenecks are taking place in the delivery chain. This is essential if a Delivery Unit is to act as a rapid problem-solving resource. The question is the degree to which this process is assisted by relating this delivery monitoring arrangement to a system which formally attributes responsibility to individuals. It can offer significant potential, as the case of Minas Gerais illustrates (Box 10).
Box 10: Results Agreement in Minas Gerais, Brazil

On taking office in 2003, the new Government of the State of Minas Gerais in Brazil faced a fiscal crisis. The state's net consolidated debt was equal to 263 percent of state net current revenue (well above the legal ceiling of 200 percent); personnel expenditure represented 66 percent of net current revenue (exceeding the 60 percent legal limit); and debt service obligations corresponded to 15 percent of state net current revenue (in contrast to the legal limit of 11.5 percent). The public sector was marked by a fragmented administration, the result of years of uncoordinated organizational inventions. Inflexible human resource management led to inefficient deployment of public servants. Ineffective salary policy failed to motivate sufficiently and retain specialized staff.

As a result, the state was notable for its poor infrastructure and worsening public services, with significantly lower social outcomes than other states in Brazil with a similar level of economic development. In 2003 the State Government of Minas Gerais embarked on an ambitious public sector reform agenda, the "Management Shock." This shock therapy aimed to get public spending under control and also lay the institutional foundation for improved public-sector management. Traditional fiscal adjustment measures were combined with innovative activities to modernize the underlying administrative structure and introduce a results-based management system.

By 2007 the government had largely put the state's fiscal house in order. Subsequent efforts to improve service delivery and promote economic growth were launched under the Government's results-based management system, the so called "State for Results Program", which saw the introduction of Results Agreements between the Governor and Secretariats, which contributed to significant turn-around:

- Large number of one-stop shops for state services established
- Significant improvement of quality in state hospitals
- Development of Public-Private Partnership (PPP) legislation, and implementation of first state PPP project
- Improved early literacy and improved completion rates in state public schools
- Reduced child mortality
- Improved investment climate with significant reduction in the days required to start a business in the capital.

The Results Agreements covered four blocks: (i) Achievement of outcomes; (ii) Implementation of priority cross-cutting reforms; (iii) Implementation of sector-specific reforms; and (iv) Improvements in performance and efficiency.

While each Results Agreement covers all these four blocks of targets, the weights given to each of them in determining overall performance vary across different sectors. The specific weights assigned to the blocks in each sector depend on the extent to which there is sufficient knowledge about the causal relation between inputs, outputs and outcomes. Where there is more data, a longer history of working with outcome variables or where there is greater knowledge of the relation between outcomes and outputs (as in education), there is a greater weight attached to the outcome indicators in the agreements (70% of the overall weight). A second phase has introduced agreements between heads of State Secretariats, or other key public entities, and their subordinates (grouped in teams).

There are both formal and informal incentives to achieve the targets specified in the Results Agreements. In signing the agreements the Governor commits to providing the Secretariat with sufficient resources to implement the strategic projects and management autonomy over how to achieve results. Attainment of targets triggers the payment of bonuses to the relevant public servants. RAs also create informal incentives through peer pressure and the shame of failure in front of other Secretaries, and they provide an opportunity for informed dialogue between the Secretary and the Governor (or his representative) on development goals and priorities.

The reward structure requires that some minimum threshold (70% of the targets) be met before a sector receives any reward. Thereafter, the amount of the reward increases (up to a maximum), depending on the extent to which the threshold is exceeded. The reward itself consists of an additional month's salary (as a maximum) or some fraction of an additional month's salary for all members of the work unit.

The Ministry of Finance in Minas Gerais includes a provision in the budget for financing the rewards because introducing Results Agreements generates a contingent liability. The liability is contingent in that the rewards may or may not have to be paid out.

Source: Bank staff files
The introduction of such agreements carries some risks. First of all, although the Civil Service law envisages that in Ghana they will be monitored by the Management Advisory Boards, it is not evident that the Boards to date have been willing or able to undertake this role. Second, there is a more general risk observable in all settings that additional payments may be converted into an entitlement. This can happen if targets are set so low that they are always easily met or if when the targets are not met, they are simply waived. Mitigating this risks through setting stretch targets is politically challenging. A third risk is that the MDA would regard the agreement as void if they feel that they are required to meet unreasonable targets or would be held to meet them even when underlying circumstances change or when the center does not fully deliver on its side of the bargain – ensuring that there are enough resources made available to meet the targets.

Table 6: Risks Associated with Performance Agreements

<table>
<thead>
<tr>
<th>Risks</th>
<th>Mitigation</th>
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<tbody>
<tr>
<td><strong>Obstacles beyond managerial control:</strong> The autonomy and resources provided to MDAs may not be sufficient to hold senior staff credibly to account for results; complex service delivery chains and unclear causation may still provide a realistic defense for any poor performance.</td>
<td>Regular program evaluations to assess which actions are having a genuine impact and improve the government's knowledge of the complex results chains.</td>
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<tr>
<td><strong>Feeding the beast:</strong> Demands by the center for data related to the agreements may overly distract the departments from performing their true mission. They also may create a culture of antagonism between the center and the line departments.</td>
<td>Regular annual dialogue concerning the required reporting under agreements, oversight arrangements, and the &quot;cost&quot; associated with that reporting.</td>
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<tr>
<td><strong>&quot;Gaming.&quot;</strong> When indicators have important consequences, they can create an incentive to invent ways to report results that are better than the true performance.</td>
<td>Regular program evaluations to detect and deter gaming; and regular dialogue between the MDAs and the center in recognition of the fact that indicators provide a basis for negotiation and do not/should not lead automatically to rewards or disciplinary consequences.</td>
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<tr>
<td><strong>Bonuses will be gradually converted into an entitlement.</strong> This could happen if the targets are set so low that they are always easily met or if, when the targets are not met, they are simply waived. In either case, the additional payments would not truly be linked to an improvement in performance.</td>
<td>Fine-turning of targets as the program evolves. While it might be acceptable to accept targets that initially are relatively easy to meet, they soon must be converted into stretch targets or there will be no performance improvements. Clear signaling that there are consequences for not meeting targets.</td>
</tr>
<tr>
<td><strong>Risks related to the &quot;principal-agent&quot; formula.</strong> The agent may be worried that the targets are unreasonable or that s/he will be held to meet them even when underlying circumstances change or when the principal does not deliver on its side of the bargain (e.g., failing to ensure that sufficient resources are made available in a timely manner).</td>
<td>Provide a partial performance award for reaching 70% of the targets that are set for a sector – thus allowing the agent some discretion as to which targets they can meet (and prioritizing those targets). Undertaking benchmarking exercises to look closely at the historical record to get a better idea of what constitutes good and poor performance.</td>
</tr>
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</table>

Source: Bank staff files

The most potent evidence for caution comes from the very somber conclusions of studies looking at the impact of performance contracts between governments and state-owned enterprises (Box 11).
What are some of the essential ingredients of successful contracting within the public sector, where the market forces are weak and where independent mechanisms of arbitration and dispute resolution (e.g., courts) are unavailable? According to a 1995 World Bank study on contracting in for state-owned enterprise management in developing countries, effective performance contracts depend on the ability of the government (as the principal in the principal-agent relationship vis-à-vis public enterprises) to (i) address the problem information asymmetry to monitor and measure the public enterprises’ efforts and performance; (ii) design mechanisms for rewards and penalties; and (ii) make a credible commitment to honor the contract.

The study found that performance contracts were common in public sectors all over the world, but effective ones – in this case those that led to improvements in public enterprises' operational performance measured as their total factor productivity – were quite rare. In a significant number of the cases examined in the study, performance actually worsened after the introduction of performance contracts. Often managers of the public enterprises would manipulate their information advantages and agree on “soft” performance targets. Very few of the performance incentive mechanisms were linked to robust measures of performance (partly due to the information problem just mentioned). Many of the public enterprise managers, as political appointees, were not really subjected to rigorous assessments of their performance, nor did they have the flexibility and authority to make necessary changes to management. Most importantly, performance contracts between the government and public enterprises usually did not specify a neutral arbitration mechanism, and thus left the interpretation of the contracts at the (often politically-motivated) mercy of the government.

The evolution of experiences and the evidence of the literature, fifteen years after this study was made, demonstrated that formal management contracts focused only on control are not the best approach to obtain performance of public sector entities. The use of semi-informal instruments, like relational contracts and intra public service agreements, has proven to be useful for structured problem solving dialogue between senior public servant and politicians.

Source: (World Bank, 2005)

Box 11: Performance contracts with State-Owned Enterprises – a record of ineffectiveness
Conclusions and next steps

Next steps if a Delivery Unit is to be created

- Allocate responsibilities clearly and quickly, to ensure that the unit has the authority from the President or Vice President, while avoiding duplication or over centralization. The roles and functions should be clearly understood throughout Government, particularly at cabinet level and with Chief Directors;
- Recruit a small cadre of professional staff that can develop the delivery chain for the Government's main priorities. These can be from different parts of Government, perhaps on secondment, as well as the private sector. This involves interpreting the two main sector strategies - identifying elements that contribute to achieving the National Programme Priorities and carefully selecting a small number of key metrics;
- Review the metrics with the sectors and other key stakeholders – are they measureable, will they keep the strategy on track and are they susceptible to political reinterpretation and gaming?;
- Redefine the National Programmes if necessary in keeping with what can be achieved – launch publicly with maximum political authority
- Develop a problem solving culture at center of government, including mechanism for monitoring, reporting and coordination. This could include regular stocktakes and reviews that include senior policy makers and senior Chief Directors around the metrics.

Immediate challenges for the Delivery Unit

- Complete delivery chain assumptions, in collaboration with the sector MDAs, and begin monitoring.

Next steps in the implementation of the Single Pay Spine

- Develop a consensus model to estimate the costs of the implementation of the Single Pay Spine, and monitor likely impact at cabinet level
- Review options for renegotiations with the unions, postponement of implementation and consider short term efficiency savings at MDA level
- Develop a mechanism to deal with remuneration for senior staff separately from the larger pay round
- Prepare for necessary future refinements of the single pay spine arrangements.
- Utilize the gradual implementation period for the SPS to create the right sequence of MDAs rationalizing the internal organization – with a view to eliminating redundancies and clarifying roles and responsibilities.

Next steps in strengthening the center of government

- Review capacity needed at the center to ensure "reliability" in detail
- Develop costed strategy for improving inter- and intra-sectoral coordination, and review options for extending performance management.
Appendix 1: The history of public sector reforms in Ghana

Over the past 15 years, many public sector reforms have been pursued to revamp and retool the public service to strengthen its institutions and capacity. The major reform initiatives over this period are shown in Table 7 below, with observations about the effectiveness of key reforms shown in bold.
Table 7: Public sector reform initiatives and achievements: 1957 – 2009

<table>
<thead>
<tr>
<th>Year</th>
<th>Initiatives</th>
<th>Achievements</th>
</tr>
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<tbody>
<tr>
<td>1957-1983</td>
<td>Independence in 1957. Colonial machinery of government substantially retained, with some minor restructuring. Oversight institutions in the legislature and the public service weakened. Labor unions strengthened. Media government controlled. Extreme political instability, four coups and four military governments (nine regimes, governments in all) in 26 years, extensive problems with corruption.</td>
<td>Unified single civil service. Few, if any achievements except minor changes to machinery of government, e.g. ministerial restructurings. Extensive corruption, no substantive changes to colonial public administration system (except some changes to schemes of service), slow but severe deterioration in capacity, institutional and HR capacity, exodus of large numbers of tertiary educated and economic elite from the country. Various civil service changes were made under successive governments (e.g. establishment of Regional Committees of Administration in 1966), but usually did not last. Secretary to Cabinet ceased being Head of Civil Service in 1980. Office of Head of Civil Service (OHCS) established.</td>
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<tr>
<td>1982</td>
<td>Rawlings Provisional National Defence Council (PNDC) government began ten years of military rule, initially to fight corruption and stabilize the country. Political Units introduced by government to monitor the civil service and Chief Directors politically appointed.</td>
<td>Public administration stabilized but corruption remains prevalent but reduced, although from an extremely high level. Political units of the PNDC were set-up in MDAs. Chief Directors were directly appointed by the President. 110 districts created to establish the basis for local government. Exodus of educated and economic elite continues, continuing the reduction of public sector capacity.</td>
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<tr>
<td>1983</td>
<td>Announcement by the GoG of the Economic Recovery Program (ERP) and entry by Ghana into Africa's longest standing program of structural economic adjustment.</td>
<td>Major standard IMF and Bank structural adjustment programs. Major macro-economic reforms implemented, including stabilizing the currency, divestment of SOEs, restructuring and downsizing of the civil service.</td>
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<tr>
<td>1983-1992</td>
<td>Implementation of the ERP with measures to establish macroeconomic stability, increase revenue generation, reduce public sector spending, improve exchange rate management and liberalize trade. Included such initiatives as the State Owned Enterprise Reform Program in 1988.</td>
<td>Major achievements in public sector fiscal control, budgetary reform (MTEF etc), some agentization (e.g. National Revenue Service resulting in far higher revenue collections, State Enterprises Commission to oversee SOEs, Ghana Water and Sewerage Corporation, Public Utilities Regulatory Commission, etc) reduction of public service staffing by approximately 60,000, reduction of Cocoa Board staffing by approximately 100,000 and increased training and retention of experienced staff.</td>
</tr>
<tr>
<td>1992</td>
<td>New national Constitution and multi-party elections. Under the new constitution, Parliament was given more powers to veto policy proposals which had previously been largely driven by technocrats who enjoyed the support of the military.</td>
<td>New constitutional framework which provided a legal basis for: the primacy of parliament; limits on presidential terms; consolidated electoral reforms; established 14 public services, established a mechanism for legislative agentization, established the Commission on Human Rights and Administrative Justice, mandated decentralization; placed the military and security apparatus under civilian control; disassociated military from public service control; mandated audit and macro-fiscal standards.</td>
</tr>
<tr>
<td>1990-94</td>
<td>Worsening macro-economic situation and suspension of financial support on several occasions by the Bretton Woods</td>
<td>Loss of macro-economic discipline, increasing high level corruption, loss of wage bill and fiscal discipline, expansion of public service numbers reversing structural...</td>
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</table>

Critical historical years are highlighted in color; e.g. independence, transition to democracy.

Ghana’s National Revenue Service brought revenue intakes up from 4.5 to 17 per cent of GDP between 1983 and 1994 (Chand and Moene, 1999, p.1137).
institutions. For example, an 80% pay-hike for civil servants raised the wage bill to 8% of GDP and control of recruitment collapsed and by the mid 1990s central government employment was back at 330,000.

<table>
<thead>
<tr>
<th>Year Range</th>
<th>Program Description</th>
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<tbody>
<tr>
<td>1994-2001</td>
<td>National Institutional Renewal Program (NIRP)</td>
</tr>
<tr>
<td>1989-1998</td>
<td>Financial Sector Adjustment Project to reform the public financial sector</td>
</tr>
<tr>
<td>1995-2001</td>
<td>Civil Service Performance Improvement Program (CSPIP)</td>
</tr>
<tr>
<td>1995</td>
<td>Public Sector Incomes Policy and Administration Reforms (Including GUSS, but introduced in January 1997)</td>
</tr>
<tr>
<td>1997</td>
<td>Public Sector Reinvention and Modernization Strategy-PUSERMOS (implemented through NIPR)</td>
</tr>
<tr>
<td>1997</td>
<td>Public Financial Management Reform Program (e.g.)</td>
</tr>
</tbody>
</table>

Adjustment period gains, new constitutional requirements largely not implemented and enabling legislation (e.g. decentralization, audit) not developed.

A general, broad public sector reform program that aimed at institutional renewal across the public sector. Further PFM reforms including budget structure, introduction of VAT to replace multiple goods and services taxes. Functional reviews of MDAs. Agentization of several service delivery functions and establishment of new agencies, e.g. VAT Service, Customs Excise and Protective Service. However, the NIRP was overly ambitious and while it conducted large numbers of functional reviews and did some reorganizations, its institutional impact was limited. This was a multi-donor program and cost around $12.6 million when it was closed at the end of the first phase with minimal impact – rated "unsatisfactory" by World Bank.

The NIRP led in 1997 to the PUSERMOS program – see below.

Divestment of public financial institutions: banks, insurance companies etc; restructuring of the Bank of Ghana; alignment of tax rates on financial institutions, regulation and supervision of non-bank financial institutions; review of the Social Security and National Investment Trust; and, establishment of the Banking College.

A parallel program to NIRP, the CSPIP was launched by OHCS in 1995, it focused on institutional and personal performance improvement, consolidation of the computerization process, manpower ceilings and wage bill control. It covered 190 organizations with 81,000 staff, including 70 MDAs, 10 Regional Coordinating Councils and 110 District Assemblies. Subvented agencies and SOEs were excluded. CSPIP moderated staffing and wage bill levels and led the renewal program for the payroll system – IPPD2. The cost (funded by DFID) was some $12 million and the program was assessed "unimpressive and disappointing" by DPs and PWC.

Development of the Ghana Universal Salary Scale (GUSS); policy of national government funding only half of local government salaries abandoned and 100% funding through GUSS and the national budget introduced (Leite et al., 2000, p.45).

Derived from the NIRP, through PUSERMOS the government committed itself to reforming the public sector in general and in particular to review and reform public sector institutions in terms of their mandate, approach and scope of activities. As an extension of NIPR, its institutional impact was again limited, although it re-invigorated the implementation of modern IT systems in finance and revenue collection, it was not responsible for the complementary payroll system renewal, resulting in lack of integration of these systems. Ghana Universal Salary Scale (GUSS) introduced to MDAs but not made compulsory for all.

Introduction of the customized BPEMS1 IFMIS system in eight MDAs on a trial
<table>
<thead>
<tr>
<th>Year</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>State-Owned Public Enterprises Reforms (privatization, commercialization)</td>
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<tr>
<td>1999</td>
<td>Introduction of the Ghana Universal Salary Scale (GUSS) under the oversight of the Central Management Board. Civil service, judicial service, teachers and nurses sign-up.</td>
</tr>
<tr>
<td>2001</td>
<td>Implementation of a range of PFM reforms; (BPEMS2 IFMIS, audit and procurement reforms)</td>
</tr>
<tr>
<td>2001</td>
<td>National Policy Process and Cabinet Process Reforms</td>
</tr>
<tr>
<td>2002</td>
<td>Legal Framework Reforms (e.g. the Bank's Legal Sector Reform Program and CIDA's complementary project)</td>
</tr>
<tr>
<td>2003</td>
<td>Municipal Finance Management Initiative (MFMI)</td>
</tr>
<tr>
<td>2004</td>
<td>Ghana Decentralization Policy Review (GDPR)</td>
</tr>
<tr>
<td>2004</td>
<td>The National Decentralization Action Plan (NDAP)</td>
</tr>
<tr>
<td>2005-11</td>
<td>Economic Management Capacity Building Project – Public Sector Reform Program</td>
</tr>
<tr>
<td>Year</td>
<td>Event Description and Details</td>
</tr>
<tr>
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</tr>
<tr>
<td>2009</td>
<td>Development of a public service single pay spine; right-sizing of three subvented agencies and implementation of Customer Service Units in MDAs and training of some civil servants. The project was funded through $15 million from the World Bank and $5 million from DFID, and $12 million other pooled funds. Rated &quot;unsatisfactory&quot; by the World Bank in April 2009.</td>
</tr>
<tr>
<td>2005-10</td>
<td>Leadership Training Program (WB, JICA, ADF) Management training for the public service senior management cadre provided and is on-going. The impact of this training on institutional performance has not been evaluated.</td>
</tr>
<tr>
<td>2006</td>
<td>Establishment of a Local Government Service (LGS) (not fully implemented) Legislative establishment of the Local Government Service (LGS) and administrative establishment of the Local Government Service Secretariat (LGSS). However, as the decentralization policy has not been implemented and the Civil Service Bill to restructure the public service on a policy/service delivery by national and subnational government respectively has not been legislated, the LGS has not been implemented and LGSS has limited functionality.</td>
</tr>
<tr>
<td>2007</td>
<td>Establishment of Fair Wages and Salaries Commission (FWSC) (not fully implemented) and abolition of Prices and Incomes Board (PIB) PIB abolished. FWSC Secretariat and Board established, but board subsequently abolished in January 2009. FWSC not fully resourced by government, but partially funded by EMCB project though unable to fully function.</td>
</tr>
<tr>
<td>2008</td>
<td>Adoption of new Intergovernmental Fiscal Framework (IGFF) for funding local government (not implemented) IGFF designed and accepted by Cabinet in 2008. Not yet supported by legislation and not introduced. Intergovernmental fiscal transfers are still principally through the constitutionally mandated District Assemblies Common Fund (DACF). The DACF allocated 7.5% of consolidated revenue to subnational governments, but operationally retains 51% of this amount at the ministry level. Subnational governments still almost wholly dependent on DACF for funding.</td>
</tr>
<tr>
<td>2008</td>
<td>Submission of Civil Service Bill to Cabinet to devolve service delivery to local governments and create a small policy focused Civil Service (not legislated) Civil Service Bill presented to Cabinet in late 2008, but was not tabled in parliament. The bill has not been acted upon by the NDC government in 2009.</td>
</tr>
<tr>
<td>2009</td>
<td>Adoption of new payroll management system IPPD3 (not fully implemented) IPPD3 implemented in May 2009 from GOG funds, but not fully functional. Government plans to decentralize the system to have data processing centers in each of the ten regions within five years. Uses the same database as IPPD2, so covers all MDAs, all MMDAs and 10% of subvented agencies.</td>
</tr>
</tbody>
</table>

Source: World Bank, Government of Ghana
Appendix 2: Roles and Accountabilities of Central Management Agencies

Office of the Head of the Civil Service (OHCS)

This office is established under the Civil Service Law 1993, which specifies its responsibilities for the entire Public Service as:

- Personnel policy and management;
- Training and manpower development;
- Provision of management services to the Public Service;
- Salaries administration;
- Research on public service issues;
- Public relations;
- Managing Public Complaints; and
- Management of a Civil Service Reform Coordinating Unit.

Additionally, the Head of the Civil Service has policy and coordination responsibilities for the entire Public Service, specifically to:

- Advise Government on employment policy formulation within the Service;
- Initiate action on pay policy for the Service; and
- Determine and advise on manpower limits for the Service.

The Head of the Civil Service may delegate any or all of these powers to Directors or heads of ministries or departments.

Public Service Commission (PSC)

Established under Article 195 of the constitution, the PSC is accountable for:

- the supervision and regulation of entrance and promotion examinations;
- recruitment and appointment into or promotions within, the public services; and
- the establishment of standards and guidelines on the terms and conditions of employment in the public services.

Confusingly, the latter responsibility currently includes advising the government on wages and conditions of service in the Public Service. However, the PSC's role in the latter seems unclear and in practice, the PSC seems to exercise this function only through invitation from the Office of Head of the Civil Service and the Ministry of Finance and Economic Planning, not as a core Commission function. This is despite the Constitution establishing very clear roles and powers for the PSC. For example, Article 191 provides for security of tenure and financial independence of the members of the PSC, deemed to be the apex management body of the public services and Article 198 states that the

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Box 12: Accountabilities of the Public Service Commission

Advising the Government on the criteria for appointment to public offices; promoting efficiency, accountability and integrity in public services; improving recruitment policies; reviewing the organization, structure and manpower requirements of agencies and bodies in the Public Services, and advising the Government on such manpower rationalization as may be necessary for maximum utilization of human resources; and performing any other duties assigned to it under the Constitution or other enactment.

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30 This section draws on the earlier GET mission to Ghana in May 2009.
32 Op.cit. s.7(2)
Commission shall not be subject to any other authority or person in the performance of its duties. In addition, *the Public Service Act, 1994*, clearly specifies the accountabilities of the PSC (Box 12).\(^{34}\)

In light of the establishment of the FWSC, the role of the PSC may need to be reviewed in practice and possibly through additional legislative changes. It would be very difficult to change its constitutional status to address the responsibilities the FWSC has assumed, despite changes having already been made to the PSC legislation to account for some of the FWSC's accountabilities.\(^{35}\)

**Ministry of Finance and Economic Planning (MOFEP)**

MOFEP is responsible for overall management of the budget and public expenditure. In relation to pay policy, it is accountable for:

- Identifying the fiscal envelope within which pay negotiations should take place;
- With inputs from the Ministry of Employment and Social Welfare (MESW) and the Fair Wages and salaries Commission (FWSC), developing the government's stance for the annual pay negotiations;
- Under the explicit direction of Cabinet concerning the government's pay policy stance, acting as the employer in the annual pay negotiations with the unions; and
- Supervising and facilitating at the policy level, the payroll management functions of the Controller and Accountant-General's Department (CAGD).

**Controller and Accountant-General's Department (CAGD)**

CAGD is a department of MOFEP principally concerned with public sector accounting standards and control, including management and operation of the Public Service payroll, including those of national and local governments. In relation to pay policy it is accountable for:

- Effective payroll administration;
- Monitoring and analysis of the payroll by pay centers including delays in payments and arrears; and,
- Advising on technical issues associated with payroll management effectiveness and efficiency.

**Ministry of Employment and Social Welfare (MESW)**

The MESW is accountable for:

- Acting as the employer representative, within a negotiating mandate provided by government, in pay bargaining with organized labor;\(^{36}\)
- Providing inputs into public sector pay policy concerning public service salaries relative to private sector counterparts;
- Developing a comprehensive National Manpower Development Policy;
- Promoting adequate self-employment opportunities to productively absorb new entrants into the labor market;

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\(^{35}\) The Fair Wages and Salaries Commission Act includes amendments to the Public Service Act, but these do not cover all the responsibilities assumed by the FWSC.

\(^{36}\) There are other possibilities and this role certainly does not have to be in MESW. As a comparator, in South Africa the Representative of Government as employer is the Deputy Director General in the Department of Public Service. The Minister of Public Service and Administration is the Employer and responsible for the overall conditions of service of public servants and the wage bill.
- Facilitating the process of formalization of employment through appropriate policy interventions;
- Developing a comprehensive labor market information system and provision of improved employment services; and,
- Promoting improved labor-management relationships.

The ministry is responsible for: the FWSC, the National Labour Council (NLC) and the National Tripartite Committee (NTC) which the Minister of Employment and Social Welfare chairs. It is therefore the main CMA in relation to pay negotiations, monitoring and industrial relations policy and programs.

**Fair Wages and Salaries Commission (FWSC)**

The FWSC, according to its legislative mandate is principally accountable for:
- Facilitating the collective bargaining process in order to reach sustainable and binding agreements reached within the context of a budgeted fiscal envelope and an agreed government pay policy stance;
- A monitoring and advisory role; and,
- "implementing public service pay policy" in accordance with Section 3 of the FWSC legislation.

However, in inaugurating the new board of the FWSC on June 29, 2009, the Commission's remit was summarized by the Minister for Employment and Social Welfare as:
- The board is to ensure fair, transparent and systematic implementation of the government's public service pay policy, objective consolidation of allowances and benefits as well as proper management and co-ordination of decisions related to salaries, wages grading, classification and job analysis.  

This broad brief to the Commission's board indicates, while it conforms to legislation, it also overlaps the pay policy accountabilities of other MDAs.

**The Public Sector Reform Secretariat (PSRS)**

The PSRS is a new agency established within the Office of the President and reporting to a minister within that Office. The Secretariat had not been fully established by July 2009, but government is moving to soon staff and resource it. This latest addition to the complex architecture of the CMAs seemingly has cross-cutting policy, coordination and monitoring responsibilities for PSR and so the location is appropriate, but as with all such cross-sectoral agencies, will require firm and consistent support from the Office of the president and the relevant minister.

The Secretariat's functions are currently intended to include:
- Development of a cohesive PSR program to address the reform priorities of government;
- Oversight and monitoring of the current, rather limited, PSR program inherited from the previous administration; and,
- Coordination of the PSR work that is currently undertaken on a variety of reform issues by the various public services through government and donor initiatives.

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## List of persons met

### Cross Sectoral Committee of Cabinet
- Ben Eghan, Cabinet Secretary
- Lt. Gen. (Rtd) Joseph Henry Smith, Minister of Defence
- Hannah Tetteh, Minister of Trade
- Hon. Enoch T. Mensah, Min of Employment, Manpower Dev't
- Mrs. Zita Okaikoi, Minister of Tourism
- Sherry Ayitey, Minister of Env. Science & Technology
- Seth Terkper, Dep. Minister of Finance & Econ. Plan.
- Dr. Kwasi Apea Kubi, Dep. Minister of Interior
- Alferd Tia, Dep. Minister of Food & Agric, Livestock

### Policy Unit, Office of the President
- Dr. Tony Aidoo
- Dr. Christine Amoako Nuamah

### National Development Planning Commission
- Kobina Okyere, Dep. Director, Plan Coordination
- Jerry E. Odotei, Dep. Director, Policy
- K. Adjei-Fosu, Prin. Planning Officer
- Mary Mpereh, Sr. Planning Officer
- William D. Asare, Planning Analyst
- Richard Tweneboah-Kodua, Planning Analyst
- Sandra Amankwa, Planning Analyst
- Felix Asmah, National Service Personnel
- Michael Kissi Boateng, IT officer

### Ministry of Food & Agriculture
- Mr. Kwesi Ahwoi, Minister
- Alferd Tia, dep. Minister - Livestock
- Dr. S. K. Dappah, Chief Technical Advisor
- Mr. Boamah, Chief Director
- Ram Bahvani, Director PPME
- E. Bortey, Assistant Director

### Ministry of Energy
- Hon. Inusah Fusieni, Dep. Minister
- Okyere Darko Ababio, Acting Chief Director
- J. B. Okine, Director PPME
- Emmanuel Osafo, Chief Engineer

### Ministry of the Interior
- Dr. Kwasi Apea Kubi, Dep. Minister
- Alhaji Salifu Osman, Acting chief Director
- Roland Modey, Director PPMED
- Kofi Portuphey, Head of NADMO
- Representatives from Police, Fire & Immigration Services and the Narcotics Control Board.

### Ministry of Env, Science & Technology
- Ms. Sherry Ayitey, Minister

### Ministry of Communications
- Mr. Gideon Kwame Boye Quarcoo, Deputy Minister

### Ministry of Tourism
- Mrs. Zita Okaikoi, Minister
- Mrs. Dina Hammond, Chief Director
- Smart Chigabatia, HR
- Kofi Koranteng, Technical Advisor, OHCS
- Kwame Adorbor, Director, Administration

### Ministry of Defense
- Lt. Gen. (Rtd)Joseph Henry Smith, Minister
- Representatives from the Ghana Armed Forces

### Ministry of Water Resources, Works & Housing
- Hon. Alban Bagbin, Minister
- Dr. Hannah Bisiw, Deputy Minister
- Alhaji Ziblim Yakubu – Acting Chief Director
- R. K. Yeboah,
- Solomon Bonney, Executive Sec, PSHLSB
- Theresa Tufour, Dep. Director
- Camynta Baezie, Infrastructure consultant
| Ministry of Trade and Industry | Ms. Hannah Tetteh, Minister |
| Office of the Head of Civil Service | Mr. W. K. Kemevor, Head of Civil Service |
References


