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Ghana: Capacity Development and Utilization Initiative

Introduction

The widely-acclaimed Economic Recovery Program launched by Ghana in 1983 faced the challenge of sustaining the gains achieved in terms of economic liberalization and macroeconomic stability. The country needed to enter a phase of accelerated export-led growth and social equity that would deliver a modern economy by the 21st century. Urgent action was required to address a number of national capacity issues that had constrained Ghana's development efforts since independence in 1957.

Capacity Constraints

- Lack of inadequate human and institutional capacity.
- Inefficient utilization of existing national capacity.
- A top-heavy, overextended and inefficient public sector.
- The lack of clear policies and mandates to guide government institutions, and lack of coordination between these institutions.
- Weaknesses in policy analysis and research capacity as well as in translating policy into practice.
- An underperforming civil service demotivated by low pay, inadequate incentives, corruption and untransparent recruitment and promotion practices.

- Over-reliance on long-term expatriate technical assistance.

A lackluster private sector ill-equipped to be the driving force behind Ghana's future economic development.

Narrow, sector-based reform measures had been unable to remedy these problems. The Ghana Capacity Development and Utilization Initiative (CDUI), which was launched in 1994, was a focused effort to address these issues.

Underlying Principles of the CDUI

The Ghanaian government realized that the fundamental problem was a systemic failure to utilize available human resources, rather than a lack of national trained manpower. This resulted in the idea of a capacity development and utilization project as opposed to one for capacity building. In view of the systemic nature of the capacity problem in Ghana, it was clear that quick-fix localized solutions would be of little long-term impact. Changes in specific sectors therefore needed to be allied to the removal of recognized systemic institutional bottlenecks. Furthermore, capacity development and utilization would have to be an extended process involving all stakeholders in national economic development, be they in the public sector or in the private. As such, rather than be imposed by fiat, it had to be consensual and participatory so as to trigger the necessary commitment both in the immediate and longer term. Finally, policy makers realized that continued reliance on external aid and technical assistance militated against the effective use of national human resources. Recourse to donor assistance should therefore be tactical and selective.

The CDUI - Main Actions

1. The Ghanaian government, on its own initiative, established a National Capacity Building Steering Committee (NCBSC) in 1993 and invited the World Bank and the UNDP to contribute technical and financial support for an analytic study on capacity issues in Ghana.
2. An initial analysis clarified that priority attention should be given to the utilization of existing capacity; that the program should address the core processes through which government and the private sector conduct business; and that the momentum for any initiative should come from within Ghana.
3. A further study entitled **Ghana: Next Steps in Capacity Development and Utilization for Accelerated Growth**, identified five key areas as warranting priority action: public policy development, public sector management, private sector development, decentralization, and human resources development.
4. The above study served as the main informational resource for a workshop organized at Akosombo in 1994 to sensitize a broad range of participants on the challenge of Capacity Development and Utilization (CDU), and to build consensus and commitment around an actionable agenda for CDU. This was a preparatory step to further strategizing and action-

planning. It was attended by political leaders, senior civil servants, business association leaders, and donor and NGO representatives. The following outcomes resulted:

- The multiplicity of issues bound up with CDU in Ghana were brought to the fore and related problems were highlighted in a spirit of frankness, participation and consensus-building.
- Previously separate sector-bound programs and initiatives, such as the Civil Service Performance Improvement Program (CSPIP) and several private sector programs, converged, creating future possibilities of greater synergy and better coordination.
- The workshop outlined strategies to facilitate CDU, which would be grounded in changes in public policy, including macroeconomic and sector policy as well as the role of the public sector; changes in the structure and management of the public sector, including civil service reform, improved governance and greater decentralization; and changes in the policy environment for the private sector including improved partnerships between the private and public sectors (and the donor community).
- The workshop inspired the subsequent launching of the National Institutional Renewal Programme (NIRP), an overarching program subsuming previous capacity building initiatives and breaking new ground in the area.

Next Steps - Capacity Development for the Year 2000

The Akosombo workshop was the first phase of the Ghana CDUI. The second phase, under the oversight of the NIRP, involves the formulation of a strategic action plan and its subsequent implementation. The Government of Ghana is currently seeking donor assistance toward the implementation of its self-determined capacity development program. Follow-up action focuses on the following areas identified during the workshop:

- Regarding public sector performance, the CDUI seeks to sharpen results/performance focus, and encourage efficient use of material and human resources, adaptability to changes in social circumstances, market sensitivity and civil rights protection. Proposed reforms targeting ministries, departments and agencies are predicated on participation and consensus-building and geared towards fostering ownership and commitment. A technical group based in the Office of the Head of the Civil Service, supported by local consultants, will, among other things, oversee surveys of service users and beneficiaries, diagnostic workshops to review policy objectives, targets, inputs and outputs, and the development of reform strategies. Constraints with systemic implications are being addressed in parallel.
- Private sector growth will be encouraged through maintaining a stable macroeconomic policy, providing an enabling commercial environment, and accelerating enterprise divestiture.
- In the public policy domain, capacity utilization will include the delineation of the roles and responsibilities of the public and private sectors and, within the public sector, the functions and interdependencies of the different levels of government. Measures will also be taken to buttress policy analysis and research capacity in Ghana.

A National Overview Committee supported by a small technical group steers the entire Ghana CDUI through the NIRP and also coordinates public policy work and donor inputs. A Public Sector Reform Technical Group is responsible for the Civil Service Performance Improvement Programme (CSPIP), with a similar body overseeing the Private Sector Take-off Programme.

The Ghana CDUI demonstrates the possibilities of effective government-donor cooperation and complementarity. UNDP and the World Bank provided assistance during the preparatory phase of GCDUI. The Bank funded the Akosombo workshop and, through its Institutional Development Fund, supported beneficiary/client surveys in the context of CSPIP. The UK's Overseas Development Administration (ODA), in coordination with the World Bank, is providing active support in the formulation and implementation of CSPIP. The Canadian International Development Agency (CIDA) is supporting work in decentralized financial management, and USAID is involved in private sector development activities.

Why has the CDUI made such an effective start?

- From the outset, it has been driven and owned by the government and people of Ghana. Participation and consensus-building, key to local commitment, ownership and sustainability, have been the program's hallmarks from inception and they will continue to characterize it throughout its implementation.
- It began with a thorough preliminary study conducted under UNDP auspices and with World Bank participation, followed by a very effective workshop which culminated in clear goals and expected outputs.
- Finally, and fundamentally, the program has tapped donor inputs in a tactical and pragmatic manner, enlisting external support as needed, instead of abdicating all responsibility to donors.

For more information on this initiative, please contact Rogerio Pinto, World Bank, Rm. J 2-139, Africa Region, 1818 H Street NW, Washington D.C. 20433. Tel. : (202) 473-2317.
