

Country Name	Financial Management Improvement Project of the Ministry of Food and Agriculture
Republic of Ghana	

I. Project Outline

Background	The Government of Ghana had made efforts to reform the Public Financial Management (PFM) System of central government (MDAs), and each ministry and its local implementing agency needed to make similar efforts to complement that of Government. The Ministry of Food and Agriculture (MOFA) had implemented a number of projects with the support of many development partners, but had a problem with the weak centralized management of various resources of its local implementing agency. Although the Finance Directorate was founded in 2006, it needed to strengthen the implementation capabilities of MOFA as a whole. Specifically, the issues were; reviewing organizational operations to improve financial information management, introducing and establishing a financial management system and improving staff capabilities.										
Objectives of the Project	<p>These were expected to be achieved through (i) developing an accounting guideline including income and expenditure management, commitment management and asset management, nurturing trainers and conducting training on the topics accordingly, and (ii) developing an internal audit checklist, the project aimed at improving MOFA's PFM, thereby contributing to decrease in the bottlenecks in financial management services of MOFA.</p> <ol style="list-style-type: none"> Overall Goal: Decrease the bottlenecks in financial management services of MOFA which affect its agricultural service provision. Project Purpose: PFM of MOFA is improved. 										
Activities of the project	<ol style="list-style-type: none"> Project site: entire country Main activities: (i) developing an accounting guideline including income and expenditure management, commitment management and asset management, nurturing trainers and conducting training on the topics accordingly, and (ii) developing an internal audit checklist, and others Inputs (to carry out above activities) <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Japanese Side</td> <td style="width: 50%;">Ghanaian Side</td> </tr> <tr> <td>1) Experts: persons: 20 persons</td> <td>1) Staff allocated: 8 persons (management of the project), 54 persons (working group members, etc.)</td> </tr> <tr> <td>2) Equipment: Computers, air conditioners, etc.</td> <td>2) Land and Facilities: project offices</td> </tr> <tr> <td>3) Operation cost: training expenses, travel expenses, local staff, etc.</td> <td></td> </tr> </table> 			Japanese Side	Ghanaian Side	1) Experts: persons: 20 persons	1) Staff allocated: 8 persons (management of the project), 54 persons (working group members, etc.)	2) Equipment: Computers, air conditioners, etc.	2) Land and Facilities: project offices	3) Operation cost: training expenses, travel expenses, local staff, etc.	
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Project Period	October 2010-October 2016 (Extended Period: January 2016-October 2016)	Project Cost	(ex-ante) 546 million yen, (actual) 921 million yen								
Implementing Agency	Ministry of Food and Agriculture										
Cooperation Agency in Japan	KRI International Corp. Ernst & Young Sustainability Co., Ltd.										

II. Result of the Evaluation

<Constraints on Evaluation>

- Due to the COVID-19 pandemic, information was collected through telephone/online interviews.
- At the time of ex-post evaluation, continuation status of the Project Purpose was limited to be verified, as the attainment of indicators for the Project Purpose are no longer collected or compiled since 2015.

1 Relevance
<p><Consistency with the Development Policy of Ghana at the Time of Ex-Ante Evaluation ></p> <p>The project was consistent with the development policy of Ghana. "Growth and Poverty Reduction Strategy II" (GPRS II) prioritized expenditure management and accounting management, which were the main issues under PFM.</p> <p><Consistency with the Development Needs of Ghana at the Time of Ex-Ante Evaluation ></p> <p>The project was consistent with the development needs of Ghana. As mentioned above, MOFA had the problem of weak centralized management of resources and the newly founded Finance Directorate needed to strengthen its implementation capabilities.</p> <p><Consistency with Japan's ODA Policy at the Time of Ex-Ante Evaluation></p> <p>The project consistent with Japan's ODA policy to Ghana. One of priority areas of ODA to Ghana was "administrative capacity building and institutional improvement." In this context, the Government of Japan would support the capacity building and institutional development of central and local government agencies.¹</p> <p><Evaluation Result></p> <p>In light of the above, the relevance of the project is high.</p>
2 Effectiveness/Impact
<p><Status of Achievement of the Project Purpose at the time of Project Completion></p> <p>The Project Purpose was partially achieved. Most of indicators can be said to have been achieved; however, on-going initiatives such as the Ghana Integrated Financial Management Information System (GIFMIS) played a key role and the achievement of the indicators was not necessarily and entirely due to the project inputs/activities. Nonetheless, the project contributed towards the achievements of these</p>

¹ Source: ODA databook 2010

indicators to some extent, as the project enhanced the directorate's capacity positively, improving their efficiencies to work and contributing to good accounting practices of MOFA staff as a result of the developed manuals according to MOFA.

<Continuation Status of Project Effects at the time of Ex-post Evaluation>

As mentioned above, other factors affected the Project Purpose and the continuation status of the project effects cannot be verified accordingly.

<Status of Achievement for Overall Goal at the time of Ex-post Evaluation>

The bottlenecks in the financial management services of MOFA has not entirely reduced. However, the contribution of the project to the Overall Goal cannot be verified as mentioned above.

As for the continuation of the project outputs, both of the Accounting Guide Book (on Revenue and Expenditure Management, Commitment management and on Asset Management) (AGB) which was revised under the project, and the Internal Audit Checklist, which was developed under the project in accordance with the revised AGB have been continually utilized, though not updated.

<Other Impacts at the time of Ex-post Evaluation>

No negative impact on the natural environment were observed.

<Evaluation Result>

Therefore, the effectiveness/impact of the project is fair.

Achievement of Project Purpose and Overall Goal

Aim	Indicators	Results												
(Project Purpose) PFM of MOFA is improved.	Indicator 1: The number of adverse findings in financial management cited by External Audit is decreased.	Status of the Achievement: Not achieved* (not verified) (Project Completion) The number of findings for MOFA from the Auditor General's reports of 2009 to 2014 <table border="1" data-bbox="772 757 1524 853"> <thead> <tr> <th>2009</th> <th>2010</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> </tr> </thead> <tbody> <tr> <td>45 findings</td> <td>43 findings</td> <td>40 findings</td> <td>46 findings</td> <td>67 findings</td> <td>65 findings</td> </tr> </tbody> </table>	2009	2010	2011	2012	2013	2014	45 findings	43 findings	40 findings	46 findings	67 findings	65 findings
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	Indicator 2: The number of days Cost Centre (CC)s spend to submit monthly Financial Reports to Head Office is reduced.	Status of the Achievement: not verified (not verified)(Project Completion) MOFA's CCs' expenditures figures were able to be obtained from GIFMIS system at any time instead of waiting for the reports to be delivered to Finance Directorate.												
	Indicator 3: MOFA's Annual Consolidated Financial Reports required by CAGD* are submitted to statutory bodies more timely. *Controller and Accountant General's Department	Status of the achievement: Achieved (not verified) (Project completion) 2015: Financial Directorate compiled 2015 Financial Report in the first week of April in their own effort sustaining the outputs of the project activities that concluded in October 2015. 2014: Submitted on 13 May 2015 (Completed 13 April 2015 for printing) 2013: Submitted on 7 August 2014												
	Indicator 4: MOFA's financial reports are reviewed and utilized by the MOFA management.	Status of the achievement: Not verified (not verified) (Project completion) MOFA management recognized improvement of MOFA's Annual Financial Report of 2014. Sustaining financial reporting improvement were expected with MOFA management's use of the reports and interaction with the Finance Directorate and others involved in the report preparation.												
Indicator 5: MOFA staff members are selected for on-going dissemination and continued improvement of MOFA's accounting procedure guidance, and budget allocation for such activities is maintained.	Status of the achievement: Partially achieved (not verified) (Project completion) MOFA management was expected to take actions for post-project institutional arrangements, in particular: (i) Select and assign a group of staff for continued improvement and dissemination, and (ii) Ensure budget allocation to support such activities to sustain. MOFA management established Fixed Asset Management Unit (FAMU) under Office of Chief Director at MOFA Headquarters (HQs). FAMU members were appointed by the Chief Director, and the liaison officers from Directorates were also appointed. FAMU is currently in operation, but is in the process of organizing itself to effectively function. Funding for FAMU operation remains a challenge although FAMU budget allocation was prepared and requested, actual allocation to cover FAMU's essential activities must be provided.													
Indicator 6: Asset management practice model that incorporates annual stocktaking update is established using GIFMIS.	Status of the achievement: Achieved (not verified) (Project completion) The practice model incorporating annual stocktaking/update was expected to be disseminated in the sustained activity of FAMU. FAMU Operational Handbook was prepared as the framework to sustain and improve fixed asset register and asset management practice, based on regular / semi-annual update with stocktaking.													

	Indicator 7: Asset management reporting requirement of MOFA Head Office are compiled with by Directorates/Cost Centers	Status of the achievement: Achieved (not verified) (Project completion) MOFA compiled the Start-up Fixed Asset Register for all the Directorates of MOFA. MOFA had embraced the GIFMIS requirements as MOFA's fixed asset management requirements. Asset data were able to be collected from the Directorates / Cost Centres and processes on the GIFMIS system by FAMU. FAMU was capable of centrally producing management and operational reports / worksheets of Fixed Asset Register information from GIFMIS for Directorates.
(Overall Goal) Decrease the bottlenecks in financial management services of MOFA which affect its agricultural service provision.	Indicator 1: Weaknesses concerning financial management issues affecting MOFA's agriculture service delivery are decreased as observed in performance reports on MOFA's agriculture policy implementation.	(Ex-post Evaluation) Not achieved According to the Auditor General's Report for 2019 on MOFA, about 60 negative findings were recorded compared to 51 negative findings for 2018.

Source : MOFA

3 Efficiency

The project cost significantly exceeded the plan (the plan against the plan: 169%) and the project period exceeded the plan (the ratio against the plan: 122%). The project cost exceeded the plan because: Firstly, according to the result and recommendation by the mid-term review, the project increased man-month of Japanese experts, input of equipment and local constancy cost in order to achieve the project objective. Secondly, the project was extended one year with new activities. The outputs were produced as planned.

Therefore, the efficiency of the project is low.

4 Sustainability

<Policy Aspect>

GIFMIS project has been fully up and running to improve PFM in all Ministries, Agencies and Departments (MDA) including MOFA.

< Institutional/Organizational Aspect>

The organizational structure was enhanced for the Fixed Assets Management Unit (FAMU) that has promoted fixed assets management in MOFA. Additional staff members were posted to enhance their work (Six members have been allocated, while there was only one initially). The organizational structure and setting of the Finance Directorate, that has supervised FAMU has, however, not seen any changes except additional staff numbers has been added (11 members from the original six members).

<Technical Aspect>

The staff members have sustained the necessary skills and knowledge to promote PFM. They have done this by undergoing regular induction and orientation especially for new staff who join the directorate. They regularly also refer to the AGB whenever they go on assignments or have activities to undertake.

<Financial Aspect>

Appropriate funds are released from the Government of Ghana to support goods and services of MOFA, which includes activities of PFM. However, there is no dedicated funding for PFM activities and allocation to EFM depends on depends on competing needs under goods and services. The approved budget expenditure for goods and services for MOFA extracted from the national budget is as follows:

Approved budget expenditure for MOFA

(Unit: GHS)

	2017	2018	2019	2020
Budget	201,686,749	157,147,870	304,909,900	264,627,149

<Evaluation Result>

In light of the above, no problem has been observed in terms of the policy, institutional/organizational, technical and financial aspects. Therefore, the sustainability of the effectiveness through the project is high.

5 Summary of the Evaluation

The achievement status of the Project Purpose was not verified. Many indicators were attained; however, they were not entirely attributed to the project. The Overall Goal has not been achieved, as the bottlenecks in the financial management services of MOFA has not reduced. As for the efficiency, both project cost and project period exceeded the plan.

Considering all of the above points, this project is evaluated to be partially satisfactory.

III. Recommendations & Lessons Learned

Recommendations for Implementing Agency:

For the Finance Directorate of MOFA, there is the need to improve supervision of finance officers and accounting practices at all levels of agricultural services provision through regular monitoring and reporting. This can help in identifying and correcting accounting malpractices and promote proper accounting practices. This in the end can potentially reduce negative findings in Auditor General's Annual Reports on MOFA.

To the Finance Directorate of MOFA, there is the need to take steps to revise the Accounting Guide Book. This can further help improve accounting practices and reduces the incidence of negative findings in the annual financial reports of MoFA.

Lessons Learned for JICA:

- It was not possible to verify the indicators during ex-post evaluation because some indicators became irrelevant and were not easy to gather. It was better to make PDM modification during the project period. It was also better to discuss with other development partners to

set the goal of the project because to improve PFM by one particular intervention is usually difficult and other intervention by other donors might impact to JICA's intervention.