

ASSESSMENT REPORT ON THE IMPLEMENTATION OF THE INFRASTRUCTURE FOR POVERTY ERADICATION PROGRAM (IPEP)



IPEP Tracker



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EXECUTIVE SUMMARY

As part of efforts to reduce poverty in Ghana and promote inclusive growth, the New Patriotic Party (NPP) promised in its 2016 election manifesto to allocate an equivalent of \$1 million dollars to each of the 275 constituencies in Ghana. This was to enhance capital infrastructure at the district/constituency level as a means to accelerate growth, create jobs and reduce poverty particularly in rural and deprived communities. Upon assumption of office, the Government established the Ministry of Special Development Initiatives (MSDI) in February 2017 to implement the Infrastructure for Poverty Eradication Programme (IPEP). It also set up three (3) Development Authorities (DAs) and their governing Boards as well as an inter-Ministerial Oversight Committee. In addition, government set up a ten-member ad-hoc committee to undertake constituency infrastructure needs assessment. Subsequent to that, the MSDI in 2018 started with procurement processes and embarked on infrastructure projects across all the 275 constituencies.

Given that at the time of the intervention, the incidence of poverty in absolute terms increase and spatial inequality particularly in the northern and coastal belt of the country were on the rise. Also, given that poverty reduction programmes in the past have been characterized by mismanagement, misapplication of funds and corruption, and thereby failing to engineer the desired socio-economic transformation to reduce poverty, the Ghana Center for Democratic Development (CDD-Ghana) launched the 'IPEP Tracker' project, to monitor the implementation of IPEP. The CDD-Ghana project seeks to ensure transparency and accountability in implementation, strengthen the framework and performance of institutions set up to govern the program, and ensure efficiency, value for money and good corporate management of public funds allocated to IPEP. Since then, the Center has released two reports. The maiden report, which focused on the assessment and monitoring of the preliminary processes for the implementation of IPEP, was released in February 2018. The report established among other things, a lack of awareness of the IPEP program among bureaucrats and ordinary citizens; poor coordination and consultation with key institutional stakeholders and citizen groups on community infrastructure needs; uncoordinated policy framework spelling out IPEP policy interventions; and the restriction of information to political party hierarchy as some of the teething challenges that could hamper the realization of the objectives of IPEP.

The second report provides detailed findings of CDD-Ghana's independent assessment of the state of implementation of the IPEP policy with a focus on the operational set-up of the Development Authorities (DAs), the level of inter-agency/sectoral collaborations and the implementation of the government's priority infrastructure projects in 20 constituencies in all the ten regions¹. There has also been a value for money (VFM) Audit report undertaken by the CDD-Ghana and the Ghana Audit Service Team in the 20 Constituencies. This report synthesizes and analyzes details of the findings of these previous reports of CDD-Ghana IPEP Tracker and the (VFM) Audit report undertaken by the CDD-Ghana and the Ghana Audit Service Team. The following are the major conclusions distilled from the synthesis and analysis.

- There is lack of citizens' awareness and involvement in the implementation of the IPEP project. Bureaucrats at both regional and district levels have little or no knowledge about the various projects under the IPEP and the implementation processes. However, knowledge about the IPEP amongst political appointees and ruling party executives is very high
- Information about the ongoing IPEP interventions remains very low among beneficiary communities. In most cases, there are no details of key information about the projects at the location apart from the warehouses and few completed toilet facilities. This could negatively affect community involvement, social audits, value for money assessments and ownership of IPEP projects in the constituencies
- The level of engagement/collaboration between the Ministry for Special Development Initiative (MSDI), Regional Coordinating Councils (RCCs) and MMDA remains poor in many places and is unstructured in other locations. This has the potential to affect the quality, monitoring and project maintenance and sustainability. Failure to integrate and coordinate project delivery at local levels will affect quality, certification, maintenance, cost, and ownership
- Bureaucrats at the regional and district levels have not been involved in the selection of the location for projects, and they lack information about the terms and conditions of award of contracts and projects details, and they have no specific roles in the monitoring of the projects. However, their level of awareness on IPEP policy has improved compared to the previous year during CDD-Ghana's first assessment of IPEP implementation
- The IPEP program is being underfunded with releases for the two initial years below the expected annual inflows of US\$275 million. As a result of the low resource inflows, payments for works done were also not consistent with contractor and consultant payments. In addition, the Ministry awarded excessive numbers of projects to specific contractors that could not be adequately funded resulting in delayed completion of the projects

¹ The regions have since increased to 16 regions from the original 10 administrative regions

- Some of the IPEP projects are stalled, not completed, poorly executed and do not appear to hold any significant potential for poverty eradication
- In light of the conclusions, the following recommendations are suggested to improve the governance and institutional management of the IPEP intervention
- The Government needs to undertake an extensive review of the program to ascertain what works and does not work and why. This will help it determine how best to move the program forward
- If it is to move forward, there is the need to improve citizen engagement on IPEP to promote ownership and project monitoring at the community/facility level. The MSDI must involve community leaders such as traditional authorities, and leadership of sub districts such as elected assembly and Unit Committee members in the identification of projects, monitoring and maintenance
- There is the need to align programs and activities of the Development Authorities with those of the District Assemblies, particularly the National Development Planning Commission (NDPC) Annual Progress Reports of the District Assemblies to avoid duplication of efforts. DAs must begin to develop their operational guidelines and coordination protocols to enable better alignment of project execution, monitoring, and maintenance
- To ensure that there is value for money, propriety in the design of infrastructure projects and impact on poverty reduction, there should be strict adherence to the Public Financial Management Act. This means that responsibility for the execution and contract monitoring must be clearly assigned. The MSDI, MOFEP, DAs must take immediate steps to sanitize the procurement and contract monitoring process. This will ensure that the allocation, disbursement and usage of the funds are done effectively and efficiently
- The MSDI, the Inter-Ministerial Committee and DAs must act urgently to improve coordination in the delivery of IPEP projects. There is the need for a clearer definition of the mandate/role of all these actors including the MSDI and the Development Authorities
- There is a bigger question of whether it is appropriate to use constituencies as a unit of administration and the odd reliance on politicians with no administrative support at the local level and who have no long term incentive to secure good quality project to the neglect of the district assemblies with the bureaucratic capacity to manage the kind of infrastructure provision provided under IPEP
- Government, MSDI and DAs must endeavor to share widely information about IPEP projects including project specification and cost, as well as increase information flow amongst institutional actors and bureaucrats at the MMDAs

SECTION I: Introduction and Background

1.0 Introduction

The Infrastructure for Poverty Eradication Program (IPEP), is a development approach which was promised by the New Patriotic Party (NPP) in its 2016 elections manifesto to provide basic socio-economic infrastructure at the constituency level across the country. Under the program, government is to reallocate \$275 million of the national capital expenditure budget i.e. the cedi equivalent of \$1million to each of the 275 electoral constituencies in the country every year. This is to enhance capital infrastructure at the district/ constituency level to accelerate growth, create jobs and accelerate the eradication of poverty, particularly in rural and deprived communities.

This report provides a comprehensive assessment of the Infrastructure for Poverty Eradication Program (IPEP) in the 3 years of its operation, which aims at providing basic socio-economic infrastructure at the constituency level towards reducing poverty in Ghana. The report consolidates two previous reports from a CDD-Ghana monitoring project i.e. the 'IPEP tracker project', and a value for money (VFM) Audit report undertaken by the CDD-Ghana and the Ghana Audit Service Team in 20 Constituencies. In producing this report, key findings of the initial assessment and monitoring of the preliminary processes put in place towards the implementation of the IPEP at the national, regional and district/constituency levels are synthesized with the final report on activities undertaken by government to implement the IPEP program. On the basis of the synthesis and analysis, relevant conclusions and recommendations are offered for improving implementation and overall governance of the program.

1.1 Context: The Infrastructure for Poverty Eradication Program (IPEP)

A well-noted achievement of Ghana since the return to multiparty democratic rule in 1993 is the effort in halving poverty from 1992 to 2013. Similarly, extreme poverty was reduced by 25% in the same period. This celebrated achievement coincided with a period of sustained growth, including the extremely high period of growth in 2011 at 14% when the country became a producer of hydrocarbons in commercial quantities. From 2014, Ghana suffered a deceleration of growth to a low of 3.7% in 2016. This period of low growth has coincided with a general increase in the incidence of poverty and extreme poverty in absolute terms. According to the Ghana Living Standard Survey (GLSS), Round 7 (2016/2017), the average number of people living in poverty increased to 6.8 million in

2016/2017 from 6.4 million in 2012/2013 while those living in extreme poverty also increased by 200,000 from 2.2 million in 2012/2013 to 2.4 million² in 2016/2017. In percentage terms, there was a marginal decrease of 0.8% in the poverty rate from 24.2% to 23.4% with extreme poverty showing a much smaller decrease of 0.2% from 8.4% to 8.2%. In essence, Ghana's early effort in reducing poverty and extreme poverty is stuttering and there is need for a strong policy response if Ghana is to meet the Sustainable Development Goal (SDG) One of ending poverty in all its forms everywhere by 2030.

Therefore, the promise of the New Patriotic Party (NPP) to eradicate poverty through implementing an infrastructure development plan could not have come at a better time. In its 2016 elections manifesto, the NPP promised to reallocate \$275 million of the national capital expenditure budget with the aim of enhancing capital infrastructure by expanding/improving on existing capital structures at the district/constituency level to accelerate growth, create jobs and reduce poverty particularly in rural and deprived communities. The party promised, when voted into power, to allocate the Ghana Cedi equivalent of \$1million every year to each electoral constituency in the country under its flagship program titled: Infrastructure for Poverty Eradication Program (IPEP).

Under IPEP, the NPP government promised to establish three development authorities: The Northern Development Authority (involves a restructuring of the Savannah Accelerated Development Authority –SADA established under the National Democratic Congress – NDC), the Middle Belt Development Authority and the Coastal Belt Development Authority. These agencies will have prime responsibility for executing the project and report directly to the President.

Certainly, the establishment of this type of spatially focused development intervention is not new. There are currently two surviving agencies of this type: The Central Regional Development Commission (CEDECOM) established in 1990 as a technical/commercial wing of the Central Regional Coordinating Council and recently the Savannah Development Authority (SADA) established in 2010 to coordinate development in the savannah ecological zones stretching from the three northern regions to part of Brong Ahafo and Volta regions. The establishment of both is yet to lead to the socio-economic transformation desired for the geographical space they were expected to impact. The NPP government, however, envisions that a program aimed at systematically decentralizing infrastructure development is the way to reducing poverty and laying the right foundation for economic growth and job creation.

2 Ghana Statistical Service (GSS), Ghana Living Standard Survey Round 7 (GLSS 7): Poverty Trends in Ghana, 2005-2017.

Granted that this model of development chosen to address rural poverty remains debatable, what is clear is that, the management and performance record of such development interventions in Ghana is extremely poor. Their management record is characterized by mismanagement, misapplication of funds and allegations of corruption, which inevitably contribute to failure to impact positively on the livelihoods of Ghanaians.

1.2. CDD-Ghana IPEP Tracker Project Intervention: goals and objectives

While the IPEP model of providing infrastructure to address poverty is unique in form and scope, the establishment of such spatially focused development interventions as stated above is not new. The Savannah Accelerated Development Authority (SADA) and the Central Regional Development Commission (CEDECOM) are two recent examples. To a large extent, these interventions have been characterized by mismanagement, misapplication of funds and allegations of corruption, and thereby failing to deliver the desired socio-economic transformation. It is to avert a recurrence of these experiences that the Ghana Center for Democratic Development (CDD-Ghana) with funding from the Department for International Development (DfID) under its Strengthening Action Against Corruption (STAAC) project and Ford Foundation implemented the IPEP Tracker project. The project seeks to monitor the implementation of IPEP; to assess the operational/functional set-up of the Development Authorities, the level of institutional collaboration and coordination in the implementation of IPEP policy, and the progress of implementation of the various projects. The project has the following specific objectives:

- Strengthen the framework and performance of institutions set up to govern and manage the IPEP program
- Eliminate corruption and misuse of public resources by ensuring transparency and accountability in allocation, disbursement, expenditure, accounting and auditing of public funds allocated and disbursed to IPEP
- Ensure efficient and good corporate management of public funds allocated to the IPEP program through sustained monitoring of the implementation of the IPEP by CSOs

1.3. CDD-Ghana IPEP Tracker Monitoring: Methodological Approach

The CDD-Ghana IPEP Tracker monitoring was carried out through a combination of approaches. Between October 29 to November 8, 2018, CDD-Ghana undertook a regional and constituency monitoring exercise in all the then 10 regions in Ghana. Twenty constituencies were purposively selected – two from each region based on the following indicators: poverty profile of the districts based on the 2015 poverty mapping report; a mix

of urban and rural districts based on Ghana Statistical Service classifications; and the presence of local media and civil society organizations. The selected indicators served as a baseline to measure the impact of the IPEP on the socio-economic livelihoods of the populace from the selected constituencies/district, measure the different impacts of IPEP interventions across rural/ urban dimensions, and the extent of citizen engagement and information sharing that is likely to build ownership and promote effective utilization of the infrastructure projects. Primary data was collected through One-on-One In-depth interviews and field observation. In total, the CDD-Ghana research team interviewed 200 informants across the regional zones and in 20 selected CDD-Ghana IPEP Tracker project constituencies.

1.4. Structure of the Report

This report is organized into five sections. Section I introduces the IPEP project, situates it in the broader context of previous governments efforts to tackle poverty through capital infrastructure provision and specifies the project goals and objectives. It also describes the CDD-Ghana IPEP tracker monitoring mechanism, and the methodological approach that was used. Section II assesses the policy and institutional arrangements for implementing the IPEP project. It explains the institutional arrangements for IPEP policy intervention at the national, regional and district levels. It also provides an assessment of the level of key stakeholder awareness of the IPEP policy and program intervention; the operational/functional set-up of the Development Authorities (DAs); and the level of inter-sectoral/inter-agency collaboration and coordination in the implementation of IPEP projects. Section III summarizes the IPEP infrastructural provision in 20 selected constituencies and assesses the status of implementation of IPEP priority projects in these constituencies, as well as stakeholder/community feedback on government IPEP priority projects in these constituencies. In Section IV, the Value for Money Audit which covers the budgetary allocations, procurement processes and project impact are presented. The report ends with conclusion and policy recommendations in Section V.

Section II: Policy and Institutional arrangement for IPEP implementation

2.1 Introduction

This section presents the assessment of the policy and institutional arrangements for implementing the IPEP program. It explains the institutional arrangements for IPEP policy intervention at the national, regional and district levels. It also provides an assessment of the level of key stakeholder awareness of the IPEP policy and program intervention; the operational/functional set-up of the Development Authorities (DAs); and the level of inter-sectoral/inter-agency collaboration and coordination in the implementation of IPEP projects.

2.2 Institutional Arrangements for IPEP Policy Intervention: national, regional and district level

The sustainability of policy interventions is enhanced if strong institutional arrangements are in place. The success or otherwise of the IPEP programme is therefore hinged upon both the availability of adequate institutional arrangement and how the institutional arrangement fits into the existing public administration system. So far, the IPEP has been situated within a mesh of policy and institutional contexts including:

Establishment of the Ministry for Special Development Initiatives (MSDI)

The MSDI was established by the Government on February 28 2017, as the main institution for implementing the IPEP program. Placed under the Office of the President, it has the core mandate to formulate and implement policies, plans and programs for the implementation of Governments' priority initiatives and flagship projects through the Development Authorities. The Ministry works through three development authorities (Northern, Middle Belt and Coastal Belt), the MSDI coordinates some or most of the infrastructure needs of all the flagship projects. The MSDI and the other ministries implementing flagship projects of the government under the IPEP, operate under the Office of the President. Due to the cross-cutting nature of the interventions under the IPEP, Ministries of Finance, Monitoring and Evaluation and the Secretariat of the One District, One Factory are involved in implementation.

Set-up of 10-member Regional Ad-hoc Committee to Undertake a Constituency Needs Assessment

To also help in the implementation of the program, a 10-member regional-based ad-hoc

committee was set up in July 2017 to undertake infrastructure needs assessment in all the 275 constituencies and submit a comprehensive report. This needs assessment was to help identify the needs of the various constituencies and present a report to help in the implementation of the project. The Constituency Needs Assessment reports have since been consolidated, validated and approved by Cabinet and are currently being implemented.

The Passage of the Development Authority Bills

The MSDI, in collaboration with the Office of the Vice President and the Attorney General, facilitated the passage of three bills setting-up of three Regional Development Authorities as the special purpose vehicle for the implementation of the IPEP: the Northern Development Authority (which involves a structuring of the Savannah Accelerated Development Authority – SADA – established under the National Democratic Congress – NDC); the Middle Belt Development Authority and the Coastal Belt Development Authority. These agencies have been given the prime responsibility of managing the IPEP funds, executing the projects and reporting directly to the President.

Inauguration of the DA Boards and Appointments of Chief Executive Officers (CEOs)

On April 13 2018, the President appointed the Managing Director of Accra-based Citi FM, Samuel Atta-Mensah, former Deputy Minister for Agriculture, Alhaji Abdul Majeed Haroun and Mr. Joe Danquah as the acting Chief Executive Officers for the Coastal, Northern and Middle Belt Development Authority respectively. Mr. Atta-Mensah resigned barely six (6) months after his appointment and was replaced by Jerry Ahmed Shaib, a Deputy Chief Executive Officer of the Authority. In June 2018, Board Members for the three development authorities were inaugurated. They include representatives of National Development Planning Commission (NDPC), Regional Houses of Chiefs in the various zones, Ministries of Finance and Special Development Initiatives, civil society, private sector and three nominees of the President. Dr. Hakeem Ahmed Wemah is the Board Chairman of the Northern Development Authority (NDA), Mr. Alex Kwaku Korankye chairs the Board of Middle Belt Development Authority and the Coastal Development Authority has Mr. Edmund Annan as its Board Chairman.

Set-up of Inter-Ministerial Committee for IPEP

The Minister for Special Development Initiatives, Hon. Hawa Koomson, on September 7, 2018, inaugurated an Inter-Ministerial Committee on the IPEP in Accra to ensure that, the implementation of IPEP complements other similar government initiatives and that these

projects and programs are consistent with the respective overall national Medium Term Development Framework (NMTDF). This committee comprises the Ministry of Finance, Ministry of Food and Agriculture, Ministry of Water Resources and Sanitation, Ministry of Health, Ministry of Education, Ministry of Local Government and Rural development, Ministry of Parliamentary Affairs, National Disaster Management Organization and the Community Water and Sanitation Agency.

2.3. Assessment of the Level of key Stakeholder Awareness of the IPEP Policy and Program Interventions

Stakeholder awareness is critical for effective implementation of development programs, because it promotes greater participation and ownership of projects. However, in the case of the IPEP project, stakeholder awareness of interventions and projects is low among stakeholders. Community leaders and assembly men had little or no knowledge of the IPEP, its implementation processes and the projects ongoing in their areas. Similarly, bureaucrats at the regional and district levels had limited knowledge of the IPEP and did not know of planned project areas for investment. At best, they were just aware of the intervention and readily associated it with government's promised allocation of \$ 1 million to each constituency for development projects, as well as some offices designated as IPEP secretariat at the Regional Coordinating Council, but did not know how they worked or who they report to. However, it was established that awareness/knowledge is rather high among government officials, and NPP party executives at the regional and district/constituency level.

2.4 Assessment of operational/functional set-up of the Development Authorities (DAs)

The IPEP is implemented through the three (3) Zonal Development Authorities: The Coastal Development Authority (CDA); the Middle Belt Development Authority (MDA) and Northern Development Authority (NDA). These DA's, designated as special purpose vehicles, are to be the main economic development implementing agencies for IPEP in their respective geographical areas. The central government, through the MSDI is required to provide seed money for the initial set-up of the DAs and for them to undertake a number of activities, key among which was to develop guidelines to govern their operations.

To assess the DAs, attention was paid to whether the DAs are fully operational across all the 3 development zones; what budgetary allocation have been made to them from the MSDI; and whether the DAs have developed operational/work programs towards the implementation of IPEP in their zones. In general, the following were observed:

- Apart from the NDA (which operates from the old SADA offices), the remaining two (2) DAs have yet to fully set up operational/functional offices at the regional and district levels. The MDA and the CDA were in the process of securing operational offices at the time of field monitoring exercise in 2018
- All the DAs have functioning boards selected based on the criteria specified in the Act. Thus, each of the governing bodies of the Authorities comprise (a) a chairperson nominated by the President in accordance with Article 70 of the Constitution; (b) one person from the National Development Planning Commission not below the rank of a Director; (c) one representative of traditional authorities in each Development Zone nominated by the Regional Houses of Chiefs in each Development Zone; (d) one person from the Ministry of Finance not below the rank of a Director; (e) one person from the civil society organizations in each Development Zone; (f) one person from private sector organizations; (g) the Chief Executive Officer of the Authority; and (h) six persons with professional expertise nominated by the President, at least two of whom are women.
- As at 2018 fiscal year, none of the DAs have yet to receive any allocation/disbursement from the MSDI for implementation of project under IPEP in the constituencies. Though, it is expected that MSDI will facilitate the provision of offices and logistics for the set-up of the DA offices.
- Except for the NDA, none of the other two (2) DAs have developed any work/activity program towards the implementation of IPEP programs and activities in 2019

2.5. Assessment of the level of Inter-sectoral/Inter-agency Collaboration and Coordination in the Implementation of IPEP projects

To assess the level of inter-sectoral/agency collaboration and coordination in the implementation of IPEP programs, the assessment sought to find out the level of stakeholder awareness about the IPEP policy; the level of involvement of key decentralized agencies/departments in the implementation of the government priority projects ongoing in the constituencies under IPEP; and the extent of alignment of IPEP priority projects with other ongoing government and sector interventions. Our assessment point to weak links between the DA's and Ministry. In general, we observed the following:

- General awareness and knowledge level among key informants (particularly among bureaucrats both at the regional and district level) on IPEP policy has improved compared to the findings from the maiden CDD-Ghana monitoring report in November 2017. Many of the bureaucrats interviewed, were able to mention some of the policy objectives and the planned institutional arrangement for the implementation of the IPEP policy intervention
- The level of engagement/collaboration between the MSDI, Regional Coordinating

Councils (RCCs), and the Metropolitan, Municipal and District Assemblies (MMDAs) remains poor in many places and is unstructured in other locations

- Bureaucrats (Regional/District Coordinating Directors), of the RCCs and MMDAs have not been involved in the selection of the location for the government priority projects except the dam's projects. There was also lack of information about the terms and conditions of award of contracts for the projects; and there was no specific roles assigned in the monitoring of the projects
- MMDAs involvement in the implementation of government priority projects is currently handled by the RCC, which reports to the MSDI. Some of the monitoring is done by DCEs and MMDAs have now been asked to include IPEP in their progress reports they send to the National Development Planning Commission (NDPC). Ministry of Finance also requested MMDAs to provide evidence of progress of work done by the contractors for the Ministry to confirm the certificate of work by contractors who are undertaking the IPEP projects in their districts. All of these monitoring arrangements remain inadequate
- The RCCs and MMDAs have not received the final constituency needs assessment report, which were undertaken across all 275 constituencies from the MSDI, even the portions that relates to them

“

... there was no feedback provided to the District Assembly regarding the outcome of the needs assessment conducted. There was no stakeholder engagement organized by the committee to validate their findings and conclusions (District Coordinating Director)

”

- The government priority projects under IPEP are broadly aligned with DMTDPs. Many of the bureaucratic informants (Planning Officers) interviewed explained that the provision of water and toilet facilities, especially, under the government priority projects are needs expressed by citizens during the consultation for the MDTDP. However, they see the intervention of the MSDI in the provision of these infrastructure projects as duplicating the efforts of the MMDAs and other sectors
- The IPEP has not been well integrated with the existing implementation structures in the regional and district levels. There is weak collaboration among the MSDI, MMDAs and the Development Authorities in the implementation of IPEP projects within districts

“

There is no relationship between the Regional Coordinating Council and IPEP as it stands now.

(Regional Minister)

”

“

The RCC is yet to receive a formal communication on how projects under the IPEP would be incorporated into the regional and district MTDPs and sync with other government's interventions within the region.

(Regional Coordinating Director)

”

- There is lack of control over the construction of infrastructure by regional and district officials and that may undermine the quality of some of the IPEP infrastructure
- There is lack of information on contracts and ongoing projects. Government does not share contract documents with the MMDAs so they are unable to hold contractors accountable
- There is overreliance on external consultants and contractors to implement projects under IPEP

Section III: The state of IPEP infrastructural provision in 20 selected Constituencies

3.0. Introduction

The section summarizes the IPEP infrastructural provision in 20 selected constituencies and assesses the status of implementation and stakeholder/community feedback on IPEP priority projects in these constituencies.

3.1 Assessment of status of implementation of government IPEP priority projects in the 20 constituencies

Under IPEP, Government implements its own standard designed projects for the Constituencies in addition to an assortment of infrastructure and supplies determined from a nationwide consultation of needs assessment for the constituencies. The constituency specific projects are the felt needs of citizens across the 275 constituencies which were collated through the constituency needs assessment undertaken by the 10-member regional ad-hoc committee. Overall, projects outlined to be executed under the government IPEP priority projects were supply of Ambulances to all 275 Constituencies, standard designed Toilet Systems, Water Systems, Warehouses, and Small Earth Dams. The MSDI contracted the firms to complete the various projects within 29 months. The toilets, water systems, warehouses and small earth dams were to commence in April 2018 and be completed by September 2020.

Table 1: Projects outlined to be executed under IPEP

Type of Project	Qty	Beneficiary Constituencies
Fully Equipped Ambulances	307	All 275
10-Seater Water Closet Institutional Toilets with Mechanized Solar Powered Borehole	1,000	All 275
Community-Based Mechanized Solar Powered Water System	1,000	All 275
1,000-Metric Ton Grains Warehouse	50	50 Selected
Small Earth Dams	560	57 Constituencies in 5 Northern Regions

Source: MSDI Ministry 'Meet-the-Press' Briefing

The Ministry's 2019 Budget Performance Report to Parliament provided the status of completed projects to include 200 Small Earth Dams, 500 10-Seater WC Solar Powered Toilets, 417 Community Water Systems but yet to be fitted with solar pumps and 35 Prefabricated Warehouses. Also, all 275 Fully Equipped Ambulances have been delivered for use in the Constituencies. A field inspection report on projects in 20 Constituencies indicates the statuses of projects as at March 2020, as follows:

a. 10-Seater Water Closet Institutional Toilets with Mechanized Solar Powered Borehole

- i. Six of the 66 project sites visited had not commenced at the time of field inspection in March 2020. Three at Suaman and one each at Ekumfi, Bongo and West East Constituencies
- ii. Only five of the 66 projects were found to be substantially complete for use, four at Nsawam-Adoagyiri and one at Ejura Sekyeredumase
- iii. The remaining projects had stalled with the exception of 5 where contractors are on site
- iv. Three of the project communities namely Kundungu in Wa East, Kwabeng in Wassa Amenfi West and Nkwanta Community SHS did not have toilets but their projects had not been prioritized for completion while Asankragwa SHS had a dilapidated toilet structure



Dodi Papase SHS toilet facility, Akan Constituency



Adoagyiri Presby JHS, Nsawam, Eastern Region



b. Community-Based Mechanised Solar Powered Water System

- i. Out of the 65 projects, eight in Dormaa West, Tamale Central, Bole Bamboi, Bongo and Wa West Constituencies were either not started or their locations not known in the communities
- ii. Nine were completed with three in use, one not in use and five could not produce water
- iii. Forty-eight of the remaining projects had not been completed with 31 Contractors not on site as at the time of field monitoring in March 2020. Only three of the Contractors were found on site



Obo Clinic water facility, Kwahu South Constituency, Eastern Region



Community Solar Powered Water System, Bredi, Ahafo Ano North Municipal, Ashanti Region

c. 1,000-Metric Tonne Grain Warehouse

- i. Only one of the four project sites visited was completed but not commissioned for use
- ii. The remaining three were at various stages of completion but all had been stalled



1000 Metric Tonne Grain Warehouse, the Ejura, Ejura-Sekyeredumasi Municipality, Ashanti Region

d. Small Earth Dams

While an updated status report at the Ministry had 30 of the 50 Small Dams between 80 and 90% complete with six below 50% and 14 not active, the audit field inspection found the following:

- i. The reservoirs of 34 out of the 45 Small Earth Dams inspected were not properly excavated or well compacted with 5 of them not excavated at all. Three were also not to specification; five cannot hold water and one leaked while one also was found to be shallow. Three of them were works done on existing Dugouts constructed under the Government's Ghana Social Opportunities Project by the Ministry of Local Government and Rural Development (MLGRD) two of which were not re-excavated
- ii. Twenty-two (22) of the 45 Dams had their embankments not well compacted with seven eroding. Another seven (7) had low or narrow embankments for water retention. In one instance, the grass planted to protect the embankment had been eaten by cattle with signs of erosion
- iii. Fifteen of the 45 did not have inlets and outlets and one other with outlet only. Another four of them were either incorrectly constructed or were too small to regulate water flow
- iv. The spillways of 12 were not correctly done or incomplete to direct water out of the dam. The spillway on the Ase dam in Wa West and Kansoago dam in Upper East were also found to be on higher ground than required
- v. At six of the sites, the contractors had vacated though work was not complete
- vi. Only three of the sites visited had signs of dry season farming
- vii. Four of the dams had collapsed, two of which were repaired and two were under reconstruction at the time of inspection. Another one had a portion of its embankment collapsed and washed away



Small earth dam at Kpenayiri in the Bole Bamboi Constituency, Savannah Region



Small earth dam at Lampoga in the Bole Bamboi Constituency, Savannah Region

The following observations were made on the overall status of implementation of projects in the 20 selected constituencies:

- There is evidence of ongoing government priority projects under IPEP across all the 20 CDD-Ghana IPEP tracker project constituencies monitored. The ongoing projects include the construction of water systems, community toilets, dams and dug-outs and warehouses
- The projects are at various stages of completion: while some of the projects such as community toilets facilities have reached roofing levels; most water facility systems completed; others such as the warehouses are at foundation levels
- There is very limited information on IPEP projects at the project location sites. Apart from the warehouses, many of the projects lack public information boards detailing key information about the projects (funding agency, project design, project completion date etc.) to enable community/stakeholder oversight and monitoring
- Stakeholder/community awareness of IPEP project in the constituencies/district is very low. Majority of informants in the beneficiary communities' report of not being aware that the projects are been provided under the IPEP or the \$ 1 million per constituency program
- Except for the District Chief Executives, many of the bureaucratic informants indicated that they have not seen any of the projects physically and cited lack of visibility of the projects as compared to the HIPC projects where sign posts were erected during the construction phase
- Lack of community involvement in the IPEP project implementation: many of the informant interviewed complained about the fact that, the contractors working on the projects were not from the community and in some cases outside of the region. Further, they complained that, the use of local labor was very minimal

3.2 Analysis of stakeholder/community feedback on government IPEP priority projects in the 20 constituencies

Stakeholder and community feedback is a vital component of project implementation because it provides implementers with information on areas that require attention. As part of implementation processes under the IPEP, a 10-member regional ad-hoc committee was to be set up to undertake infrastructure needs assessment and collate them into a regional district/constituency infrastructure needs profile report. The reports are to serve as the base documents for the proposed Regional Development Authorities.

It was established that the committees had already been established and proceeded to undertake the mandated activities. However, stakeholders have no information on their activities such as the criteria the committees used to identify and select key infrastructure at the district/constituency level, which projects were selected and how the infrastructure needs were prioritized. There is no feedback to and from the district assemblies on the needs assessments conducted and no stakeholder engagement organized to validate their findings and conclusions. The constituency and regional level bureaucrats have no access to the final report of the committee's work.

“ I have no idea on the findings of the IPEP secretariat. No stakeholder meeting with various communities... but you are there and facilities will come without your knowledge. They are doing their own thing.
(Municipal Chief Executive) ”

“ ... there was no feedback provided to the District Assembly regarding the outcome of the needs assessment conducted. There was no stakeholder engagement organized by the committee to validate their findings and conclusions.
(District Coordinating Director) ”

“ We tried to have more information [about the committee's work] but nobody seems to know what is happening, except that some of the ad-hoc team members tell us they have finished their assessment, they have submitted their report, and it will now be implemented by Northern Development Authority (NDA) and other development authorities.
(CSO Representative) ”

Section IV: Value for Money Audit: budgetary allocations, procurement processes and project impact

4.0 Introduction

This section presents the Value for Money Audit which covers the budgetary allocations, procurement processes and project impact³.

4.1 Budgetary Allocations

Budgetary allocations for the implementation of IPEP has been provided, albeit with some shortfalls. In 2018 and annually thereafter, Government made provision in the annual budget, funding to procure the services of consultants and contractors to execute the projects. The approved and actual releases to MSDI for IPEP and the Ministry's own recurrent and CAPEX expenditure for the 2018 and 2019 financial years are below.

Table 2: Budget approvals and releases for IPEP projects for 2018 & 2019.

Year	Approved Budget	Actual Releases
2018	1,239,409,969	103,773,596
2019	1,321,543,926	439,640,209

Source: Ghana Audit Service 'Value for Money & Performance Audit Preliminary Report, 2020'

From the table, it can be seen that the IPEP was being underfunded, with releases for the two initial years below the expected annual inflows of US\$275 million. The Ministry's 2019 Budget Implementation identified inability of contractors to mobilize resources to commence the projects due to release of funds, as a cause in the delay of project implementation.

4.2 Procurement Processes

The MSDI operates under the purview of the Office of Government Machinery (OGM), and therefore, requests for procurement of works, goods and services are handled by the Entity Tender Committee of the Office of the President. In awarding contracts to contractors and supervising consultants to implement various projects under the IPEP, the Ministry employed a combination of open public tender, single source and restricted tendering methods. Table 3 captures the procurement processes in terms of types of projects, procurement methods employed, the number of contractors and consultants and total contract sums under the IPEP.

³ Analysis in this section is drawn from preliminary reports on IPEP programs by the Ghana Audit Service

Table 3: Procurement methods employed for delivering projects under IPEP

	Procurement Method Employed	No. of Contractors/Consultants	Total Contract Sum	Payment to Date	% Payment
Fully Equipped Ambulances			221,115,905		
10-Seater Water Closet Toilets	Public Tender		150,804,674		
Water System	Public Tender		78,836,129		
2,000 Solar Panels for each of the Toilet and Water Systems		2	70,812,512	35,406,256	
1,000-Metric Ton Warehouse			89,506,424		
Small Earth Dams			148,717,729		
Consultancy for WC Toilets		3	13,504,800		
Consultancy for Water Systems		3	9,532,800		
Consultancy for Warehouses		1	7,881,790		
Consultancy for Dams/Dugouts		1	17,040,000		

Source, CTRB – Central Tender Review Board

There were a number of procurements without the relevant documentation to support the method employed. These include:

- Five suppliers of the 307 ambulances
- Two suppliers of 2,000 solar panels for the toilet and water systems
- Seven out of eight contractors for the 50 warehouses
- Contractors for the small earth dams
- Six consultants for the toilet and water systems
- One consultant for the 50 warehouses
- One consultant for the 560 small earth dams

- One consultant for the construction of the 560 small earth dam

4.3 Project costs and specification

All the standard designed projects were constructed to specification. The contracts for the Warehouses, Clinics and Markets contained contract sums for individual projects. The contracts for the Toilets, Water Systems and Small Earth Dams were however awarded in lots comprising a number of project locations. The per unit contract sums of each Toilet, Water System and Dam was therefore an average of the lot which differed slightly from Constituency to Constituency. The Cost of the Toilet and Water Systems also included the unit cost of installation of the solar panels which were awarded to separate Contractors. The minimum costs for each of the projects are as follows:

Table 4: Cost of projects under IPEP

No.	Type of Project	Contract Sum	Cost of Solar Installation	Total Contract Sum
1	Fully equipped ambulance			
2	10-Seater WC toilet	90-120,000	47,247	
3	Community water system	150-170,000	23,566	
4	1,000 metric tonne warehouse	1,800,000		
7	Small earth dam	200-250,000		

The audit report revealed that two of the five initial contractors for the warehouses did not execute their projects to completion. While one contractor did not execute any of the projects awarded, the other commenced work, but subsequently abandoned it. The two projects were subsequently re-awarded. The report further established some anomalies in procurement, award of contracts and implementation. These include:

- Project measurements in the bills of quantities had been substantially overstated resulting in contract overpricing of some projects
- The Ministry contracted a few consultants to supervise hundreds of projects and did not have any evidence that the projects were adequately supervised
- The Ministry also did not involve the technical staff of the decentralized authorities for independent effective checks. The Ministry therefore did not have independent confirmation of the status reports on the quality of the projects or Contractor failings
- The Assemblies were not adequately engaged in the identification of project sites

The projects were also not covered by site plans or construction permits

- The Ministry did not provide the audit with the bid documents to ascertain whether the 166 Contractors who worked on the dams were in the business of small dam construction and also did not have any evidence to suggest that background checks were carried out on the successful bidders

There are no ancillary works at the dam/dugout sites to either support dry season farming or create easy access for animals drinking during the dry season. All the dams inspected may not be able to retain water for dry season farming or animal drinking for more than two rainy seasons.

4.4 Project Impact

As a result of underfunding of the IPEP project, and non-adherence to procurement procedures, there are delays in implementation of projects across the constituencies. The audit report notes among others that:

- Only five (5) or 7.6% out of the 66 toilets had been completed with none in use
- Only eight (8) or 12.3% out of the 65 Water Systems had been completed with three in use and five without water connection
- Only one (1) or 25% out of the four warehouse project locations was completed and commissioned but not in use
- Reservoir depth of 3m was not attained in the construction of the dams
- Embankments were not fortified with boulders as recommended for dams or dug outs. Only one location had grasses planted but was chewed by animals
- The estimated cost of each dam is too low to construct a strong and resilient dam or dugout to last more than two rainy seasons without collapse
- Many of the dams visited which were constructed before the rainy season had their embankments eroded or collapsed
- There are no ancillary works at the dam/dugout sites to either support dry season farming or create easy access for animals drinking during the dry season. All the dams inspected may not be able to retain water for dry farming or animal drinking for more than two raining seasons

In the manner that the IPEP is being implemented, particularly in terms of non-compliance to existing procurement laws, and non-involvement of regional and district bureaucrats in tendering processes, there is room for abuse. Lack of compliance to procurement processes, has negative implications on value for money. In the absence of value for money, government's aim of eradicating poverty and reducing inequality through the provision of socio-economic infrastructure at the constituency level could be undermined. Overall, it can be seen that most of the projects had not been completed and therefore could not be utilized. The impact of IPEP is therefore not being felt in the communities and the desired impact will not be realized.

Section V: Conclusion and Policy Recommendations

4.0. Introduction

In this final section, the overall conclusions policy recommendations for the assessment are presented.

4.1 Conclusions

This report set out to consolidate details of the findings of CDD-Ghana's assessment and monitoring of the processes put in place towards the implementation of the IPEP at the national, regional and district/ constituency levels, and analysis of the institutional and policy context for the implementation of the IPEP. Based on our synthesis and analysis of the findings we draw the following conclusions.

- There is lack of citizens' awareness and involvement in the implementation of the IPEP project. Bureaucrats at both regional and district levels have little or no knowledge about the various projects under the IPEP and the implementation processes. This has affected project selection, prioritization and quality. The lack of adequate information about the ongoing IPEP projects intervention in the community limits community awareness, involvement and ownership in the constituencies. A key lesson from many years of local development stresses the need for community ownership. The many abandoned projects littered across the country are a testament of the failure to invest time and energy to build and foster community ownership
- The system put in place for IPEP project monitoring is weak. Government tracking of projects through RCC and MoF is inadequate
- The program is being underfunded with releases for the two initial years below the expected annual inflows of US\$275 million. As a result of the low resource inflows, payments for works done were also not consistent with contractor and consultant payments. In addition, the Ministry awarded excessive numbers of projects that could not be adequately funded resulting in delayed completion of the projects. The resources were so thinly spread that they hardly made any impact for the speedy completion of the projects
- The IPEP is not underpinned by a coordinated policy framework that spells out the details and processes of interventions. Information on the project processes have been restricted to only a few political actors, with the potential to create an institutionalized information asymmetry for the principal actors required to successfully implement the IPEP. It also has the potential to distort the necessary enabling power relations as well as the prevailing transparency and accountability

structures. The evidence so far is that, it has created tension between key bureaucrats and politicians at the regional and district levels. It is unclear if these actions are borne out of deliberate policy, expediency or implementation choices, but it does not augur well for the success of the IPEP

- Closely related to the restriction of information to selected political actors, is the prospect for partisan political capture of the IPEP, particularly at the regional and district/constituency level by political party actors and their bureaucratic supporters. The instinct for political capture appears to originate from two sources. First, there is a strong belief that flagship projects like IPEP are manifesto promises which must be guarded by the party to ensure its success. It flows from this orientation, a belief that bureaucrats are not directly invested in the party's objectives and therefore cannot be trusted to deliver success. The second source is that party faithful see the IPEP as a reward for their hard work and therefore controlling the process will be to ensure material dividends
- The role of the MMDAs and beneficiary communities in the implementation of IPEP policy intervention remains unclear. There is no clearly defined role for the MMDAs and beneficiary communities. This has the potential to affect the quality, monitoring and maintenance of project implemented under IPEP
- There is poor coordination and consultation with key institutional stakeholders and citizens' groups in undertaking the constituency infrastructure needs assessment. This is particularly troubling considering that there was existing consultation process for identifying development needs ongoing through the MTDf at the time of the needs assessment. Lack of stakeholder involvement, particularly community members, affects ownership of these projects and could leads to the situation where projects are misplaced and that affects their sustainability. Lack of ownership of development projects has consistently been the bane of many development initiatives. The Districts are almost through with the MTDf, but they have not incorporated IPEP initiatives into these plans
- The level of transparency about the procurement of goods and services is very low. Though the Minister has stated the procurement procedure and the price range for the various projects, a lot of information is lacking on the specifications of the project. For example, per the estimates provided by the Minister, a solar-powered mechanized borehole costs between GH¢150,000 and GH¢170,000. This is significantly outside the normal price range of GH¢8,000 to GH¢10,000. What accounts for the difference, and does it represent propriety and value for money?
- As stated earlier, apart from the NDA, the other two DAs were not involved in the execution of this phase of the IPEP implementation. However, one would imagine that they would be required to take over implementation once they become operational. Without clear operational guidelines, it is difficult to see how the DAs would operate, coordinate, and monitor IPEP project interventions across all the

development zones. The failure to integrate and coordinate project delivery at local levels will affect quality, certification, maintenance, cost, and ownership

- CDD-Ghana's overall conclusion is that, though the IPEP project implementation approach has been modified to consider priority projects, which is consistent with this type of institutional mechanism for delivering strategic capital projects, the way it is being implemented is likely to undercut its ultimate success and impact on poverty if the gaps are not addressed
- There is a bigger question of whether it is appropriate to use constituencies as a unit of administration and the odd reliance on politicians with no administrative support at the local level and who have no long term incentive to secure good quality project to the neglect of the district assemblies with the bureaucratic capacity to manage the kind of infrastructure provision provided under IPEP

4.2 Policy Recommendations

In the light of the above conclusions, the following recommendations are offered to help improve the governance and institutional management of the IPEP policy intervention.

1) *Coordination between MSDI, DAs, RCC, MMDAs and Decentralized MDAs*

- There is the need for a clearer definition of the mandate/role of the Development Authorities (DAs): implementation, coordination, or both. Clarifying the role of the DAs is useful for inter-institutional settlement (i.e. who does what?) at the regional and district level with actors/institutions who have similar responsibilities in the provision and management of public infrastructure at the local level. This is particularly important, as the DAs are about to execute the projects identified in the needs assessment
- There is the need to align the programs and activities of the DAs with those of the District Assemblies to avoid duplication of efforts. DAs must begin to develop their operational guidelines and coordination protocols to enable better alignment in respect of execution of projects, monitoring and maintenance. This is urgent, as the DAs would need to play an immediate role in monitoring and maintenance of the priority projects

2) *Information Flow amongst Institutional Actors, Particularly at the Bureaucratic Level*

- Government and the MSDI must endeavor to share information about IPEP projects, particularly revised processes of execution and monitoring. Political actors like regional ministers and district chief executives who currently have more access to information should lead this process of information dissemination. As a matter of urgency, the MSDI must operationalize its website and provide relevant information on projects, location, progress of work, cost etc.

3) *Improve Transparency and Accountability*

- To ensure that there is value for money, propriety in the design of infrastructure projects and impact on poverty reduction, there should be strict adherence to the Public Financial Management Act. This means that responsibility for the execution and contract monitoring must be clearly assigned. The MSDI, MOF, DAs must take immediate steps to sanitize the procurement and contract monitoring process. This will ensure that the allocation, disbursement and usage of the funds are done effectively and efficiently

4) *Citizen Engagement on IPEP*

- The success and sustainability of IPEP depends on the extent to which citizens own the projects delivered locally. Therefore, the Ministry must involve community leaders such as traditional authorities, and leadership of sub districts such as elected assembly and Unit Committee members in the identification of projects, monitoring and maintenance. The MSDI, RCCs, DAs and MMDAs must work with media houses, NGOs and community-based organizations to sensitize the public about the IPEP projects and their role in ensuring their effective use. Citizens should be given information about IPEP and the work package of the Development Authorities to help secure ownership and foster greater demand for accountability

5) *Project Management and Implementation*

- Focus on project implementation at pace and scale to aggregate value. The project interventions under IPEP, when implemented in the pace and scale needed, can have greater impact on the local economy in a meaningful time frame. However, the penchant for spreading projects across many constituencies should be reviewed and should be informed by the topography of need
- There is still a need to institute regular performance reviews of the Development Authorities. Developing a framework to assess the outcomes of the investments under each Development Authority will be essential to the successful outcome of the policy focus of poverty reduction through improved social and human development under the IPEP
- Improve the communication of IPEP's success stories, impact and spending to stakeholders and the wider public in order to be more accountable
- There is the need to decouple IPEP projects from party programs and ensure that the Development Authorities are not used as a political party vehicle to dispense patronage to individual party financiers, communities and organizations in a manner that distracts them from their mandate and set them up to fail. There is a role for the party to take ownership of manifesto promises but it should not be done in a manner to weaken systems or be directed towards seeking election spoils



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