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Abstract
The Government of Ghana in 1989 instituted a performance monitoring and evaluation system (PMES) in the public enterprise sector as part of a national effort to improve the performance of that segment of the economy. Among other things, the PMES was designed to provide information to make informed judgment about the performance of these enterprises. The analysis takes the position that 20 years after its implementation, the PMES has not realized its full potential of providing useful information based on a systematic evaluation to guide policymaking and program implementation. The paper examines why so much attention is paid to monitoring to the detriment of evaluation and suggests corrective measures to help agencies achieve their potential. The lessons learned in this case study have implications for evaluation in other countries in Africa.

Keywords: Performance measurement systems, performance monitoring, performance information systems, systematic evaluation, program evaluation

Introduction

Like most developing countries, the public enterprise (PE) sector is an important component of Ghana's economy. Prior to the initiation of the public enterprise reform program in 1989, the sector contributed about 25 percent of the domestic investment, as well as accounting for approximately 55 percent of the formal-sector employment (Swanson and Wolde-Semait, 1989). Contrary to expectations, most of these enterprises did not perform well. Many had not been able to make a profit and had, in the past, relied on the government subventions that represented 8 and 10 percent of government expenditures between 1982 and 1986 (Adda, 1990). The PEs had also placed a significant burden on government expenditures in terms of indirect support, substantial arrearage in tax payments and social security contributions, and the inability to service government-guaranteed foreign loans. The poor performance of public enterprises in Ghana dates back to the 1960s and the 1970s. An assessment of the public enterprise sector during this period concluded that the PEs were unprofitable, by comparison with public enterprises in other developing countries as well as with private enterprise in Ghana, and they were unprofitable despite their monopoly powers (Killick, 1978). By the late 1980s, it was clear that the use of public enterprises as an instrument for promoting economic growth had failed. To address some of these shortcomings, the Ghana government implemented a public enterprise reform program in 1989 as part of the general Public Enterprise Reform Program with the specific objectives of improving the profitability, efficiency and productivity of public enterprises (Adda, 1989). A key building block of the reform was the institution of a performance monitoring and evaluation system.

The role evaluation plays in the policy process and program management realm is now very well accepted. Program evaluation, when it is available and of high quality, provides sound information about what programs are actually delivering, how they are being managed, and the extent to which they are effective and efficient. Evaluations can serve a number of purposes including assessing the extent to which local projects or an entire program operates consistent with applicable statutes, regulations, guidelines, grant or contract conditions, and sound administrative practice. It can also be used to assess the strengths and weaknesses of various planning and management systems to measure the effectiveness and efficiency of program operations. Finally, identifying lessons learned in the evaluation process can be used to assess or justify the need for new programs or design it appropriately on the basis of past experience.

The literature suggests that benefits of evaluation are not fully realized in developing countries in general, and in Africa in particular, because evaluations in Africa present their own unique challenges. Two decades ago, an entire issue of the journal *Evaluation Review* was devoted to evaluation research in international development. Among other things, a number of the manuscripts described the challenges in doing evaluations in developing world settings. One article, aptly subtitled "Why are development programs monitored but not evaluated" addressed the specific concerns with evaluating donor programs in Asia (Bamberger, 1989, 223). Similar issues were raised at length at the 1989 national conference of the American Evaluation Association under the theme: International and Cross-Cultural Perspectives on Evaluation. While the concerns with utilization of evaluation are not unique to developing countries alone, they seem to be more profound in developing countries in general and Africa in particular. Why is it so difficult to institutionalize evaluations in Africa? What can be done to make evaluations meaningful?

The purpose of this analysis is to present a case study of the design and implementation of a performance monitoring and evaluation system designed to improve program effectiveness. It proceeds as follows. First, it presents the context by describing the design and implementation of a performance and monitoring system in Ghana. Next, it presents a normative framework for evaluating the intervention followed by a description of what has been done in reality. Third, it presents the challenges inherent in conducting evaluations in this context and its applicability to the rest of Africa. Finally, it presents recommendations for addressing the limitations.

The Era of Accountability and Public Sector Reforms

In recognition of the poor state of the public enterprise sector (PE) and the economy as a whole, Ghana embarked on a reform of the public enterprise sector in the early 1980s with the overall objective of improving the efficiency, profitability, and productivity of state enterprises. The PE reform was launched as part of the larger structural adjustment program designed to increase economic growth, sustain fiscal and monetary discipline, increase levels of domestic savings, improve public sector resource management, and develop the private sector (Government of Ghana, 1987). The rationale for the public enterprise reform program under the World Bank's structural adjustment lending was to create the conditions necessary for improving enterprise efficiency (Nellis, 1989; Shirley, 1989). According to Shirley, "the search for SOE (State-Owned Enterprises) efficiency rests on the theory that any commercial enterprise, public or private, will function most efficiently when it strives to maximize profits in competitive markets under managers with the capacity, autonomy, and motivation to respond to market signals" (1989,). The key components of state-owned enterprise reform program and an account of its implementation thus far in Ghana follow.

The Design and Implementation of the Performance Monitoring and Evaluation System

The State-Owned Enterprises Reform Program (or the Public Enterprise Project), was initiated in 1988 with the financial support of the World Bank. As an integral part of a structural adjustment program (SAP), it aimed at improving the economic efficiency of the enterprises and making a contribution towards the overall economic condition of the country. The specific objectives of the reform program were to:

- Improve the efficiency and productivity of the PEs and ensure that they operate in a fully commercial and competitive manner;
- Reduce the reliance of PEs on central government intervention and thereby relieve the government of the financial burden of loss making public enterprises;
- Insulate the PEs from excessive government intervention; and
- Make PE management responsive to the private enterprise spirit.

The government adopted specific strategies to attain the objectives. One of these was to divide the reform program into three manageable components (Dotse & Agbeko-Kra, 1990; World Bank, 1991), including (a) Restructuring, (b) Divestiture, and (c) Performance Monitoring and Evaluation. The Performance Monitoring and Evaluation System (PMES) involves the strengthening of the State Enterprise Commission (SEC) as the nodal center for the implementation of the performance monitoring and evaluation system for public enterprises.

Some authors see the inefficiencies in public enterprise performance as stemming from the separation of ownership from control, which has implications for the incentive structure. Generally, the argument centers on the notion that managers do not get the full share of the profits of the enterprises they manage and are therefore not motivated enough to ensure organizational effectiveness. The classic prescribed solution to this problem is to match ownership with control so that managers will enjoy the full benefits of their actions. Jones (1991) perceives the performance monitoring and evaluation system (signaling system) as an alternative solution to the public enterprise problem. By holding management accountable for achieving objectives previously agreed upon, the performance monitoring and evaluation system serves as a guide and motivates managers to increase firm performance. This process appeals to developing countries, which have found implementation of this system more politically feasible than the alternative of selling off state assets in the typical privatization approach.

The typical performance measurement system requires agencies to develop strategic plans, set agreed-upon goals and objectives, and measure their progress toward those goals. What is new about recent initiatives is that they seek to create an environment that provides managers with the incentives and tools such as enhanced authority that they need to meet organizational goals and objectives. The common emphasis in all recent performance measurement systems is that they focus on achieving results by changing the incentives for managers and organizational cultures across the entire public sector or some segment of it. This is done by introducing quasi-market mechanisms and incentives similar to those in the private sector such as competition, individual accountability for performance, and a focus on customers.

While the performance measurement concept is not new, the current emphasis has a market tilt to it. This is not by accident; the dominant theoretical thought at the time, spawned by the privatization movement of the 1980s, suggests there are certain fundamental differences between public and private agencies and that public enterprises are inherently more inefficient than private ones (Perry & Rainey, 1988). Proponents of this line of thought suggested that, at a minimum, the public sector must be subjected to the ways of doing business in the private sector in order to increase efficiency in the public sector. Performance measurement systems have increasingly become one of the popular solutions to problems of the public sector. Thus, today's performance measurement systems not only speak to developing goals and objectives, and measuring performance to ensure accountability as in the past, they also incorporate quasi-market mechanisms and incentives similar to those in the private sector. Here is a brief description of the system designed for Ghana.

Corporate plans. The PMES requires all PEs included in the system to draw corporate plans. The concept is akin to strategic planning in the corporate world and was introduced with the intention of injecting a business culture into these organizations. The process starts with a scan of the environment in which the enterprise operates, with an analysis of past, present and future events that have impacted or will impact on the operations of the enterprise.

The plans also contain managements' vision of what and where they want the PEs to be in both the medium and long term on profitability and provision of social services if required by the government. This goal-setting part of the process allows management to state in clear terms what the enterprise is about and what it wants to be. In the next stage, the corporate plans specify a range of targets to be achieved over an identified period of time. Major assumptions covering the targets are clearly defined, and consultants of the State Enterprises Commission review the plans and recommend additions and changes where appropriate. Corporate plans form the basis for performance contracts.

Performance contract. A key component of the PMES, the performance contract process includes the selection of indicators and setting goals/objectives by specifying desirable levels of performance. It provides a means by which parties to the contract can assess, at the end of the contract period, the extent to which each goal has been achieved. The indicators include profits, productivity, reduction of losses, completion of accounts, etc. Specifically, performance contracts signed between the Government and the PEs contain the following elements:

- Basic facts about the PEs as well as their recent performance;
- Objectives the PEs propose to achieve during the contract period;
- Performance indicators and the targets to be achieved during the contract period;
- Major assumptions made in determining the targets;
- Government undertakings to the PEs;
- PEs undertaking to the Government; and
- Monitoring, performance evaluation and reporting requirements.

Although the individual PEs are primarily responsible for identifying the performance indicators and targets, the final outcome is the result of a negotiation process involving the PE management, the PE Board of Directors, and the responsible sector ministry. The State Enterprises Commission plays a facilitating role in this process. In addition, the Ministry of

Finance and Economic Planning is a major player in the negotiation and signing of the contracts, technically playing the role of government watchdog and ensuring that what is agreed upon in the negotiations does not have an adverse impact on the national economy. It represents the government (as the equity owner) and the public interest.

Three broad categories of indicators are set:

- Economic/Financial indicators covering items like net profits,
- Efficiency/Productivity indicators to measure operations and productivity items, and
- Management/Improvement indicators for activities such as the implementation of management information systems that are intended to improve management performance.

Monitoring and evaluation. Under the terms of the performance contracts, the PEs are required to submit, at the end of each quarter, a financial and operational report on their performance to the State Enterprises Commission. Among other things, the reports include:

- An operating statement showing actual performance against budget for the quarter year to date;
- Approximate earnings and expenditure accounts as at the end of the quarter;
- Cash flow for the quarter showing actual against forecast;
- Report of capital projects compared to budget;
- Report on achievement of agreed performance targets; and
- A report by the Managing Director on progress achieved, explaining deviations and identifying the most important trends of the quarter.

Performance information system. Another facet of the reform involved the update of audited accounts and the creation or strengthening of information systems to provide needed data to guide and evaluate performance. The availability of complete and accurate performance data was crucial to the development of a quality evaluation and monitoring system. The information system at the State Enterprises Commission is fully automated and largely based on accounting data, supplemented by information on other indicators, targets and actual performance.

Incentives. Performance measurement systems usually focus on improving economy and efficiency/effectiveness in organizations. Profit and non-profit organizations benefit from the implementation of effective mechanisms for establishing performance targets, monitoring them, measuring actual results and providing rewards and sanctions. To be effective, a performance evaluation system must function as a management tool. The system should be a part of the regular management process for the organization. The PMES incentive component implemented for the PEs contains the following basic concepts:

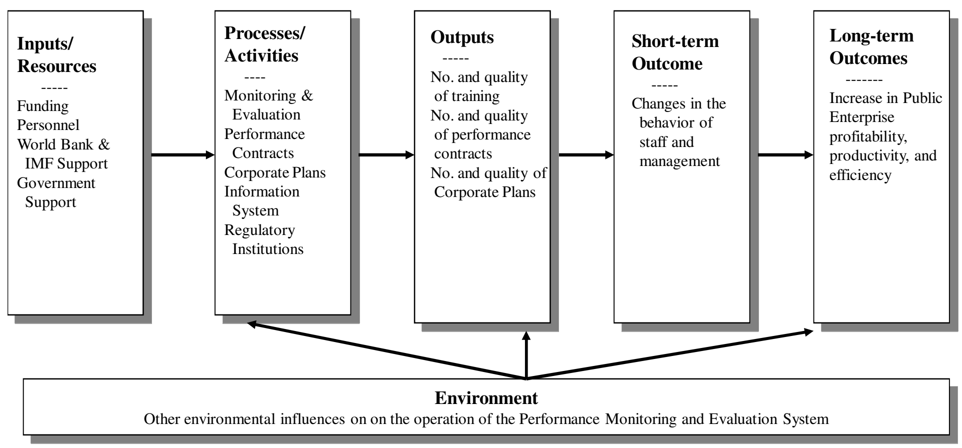
- Rewards/sanctions are based upon evaluation of previously determined performance targets and actual performance. External factors that impede management's ability to perform are taken into consideration.
- Incentives include non-monetary rewards/sanctions such as promotions, demotions, dismissals, and public recognition.
- Incentive payments are determined only after careful analysis has concluded that payments will not impair the financial stability of the enterprise. The payments are made from the resources of the enterprise.
- Provision for a monetary reward (dividend) to the owner (government) is at a level at least equal to the incentive payment to the enterprise. The government can decide to accept these payments or have them retained by the enterprises for capitalization or other purposes.
- The SEC makes recommendations on incentive payments to the PE's Board of Directors for implementation. The actual distribution of payments/sanctions within PEs is based upon equitable internal processes.

Regulatory mechanism. An important thrust in the public enterprise reform package was the development of an institutional framework for managing and monitoring the PEs. The State Enterprises Commission (SEC) was restructured and entrusted with the responsibility of overseeing the activities of the PEs. It was also given the responsibility for developing and implementing the performance evaluation system. The head of the SEC, the Executive Chairman, was given a more enhanced status equivalent to a minister of state. The government also enacted a new law in 1987 (PNDC Law 170) to give legal backing to the mandate given to the SEC. As currently constituted, an 11 member Board of Directors, headed by the Chairman of the SEC provides policy guidance to the Commission. There are four departments within the Commission: human resources development, finance and administration (accounts), operations, and planning, monitoring and evaluation. Each department is headed by an executive director.

Assessing the Performance Measurement and Evaluation System: The Framework

The design and implementation of the PMES represents a significant departure from the way state-owned enterprises were managed in Ghana. Whether the need to improve that sector of the economy was self-imposed or externally imposed by the World Bank and the International Monetary Fund as a condition for helping restructure the deteriorating economies, it was a major change that was expected to have significant effect on the economy as a whole. Indeed, the need seems to be felt the most in Africa. At the time Ghana implemented the PMES in 1989, 26 other countries were receiving external assistance for public enterprise reform programs (Swanson & Wolde-Semait, 1989). The thrust of the PMES in Ghana was to design and implement institutional changes that will create a conducive environment for managers to fully pursue their responsibilities with maximum effort. Figure 1 illustrates a logic model of how the PMES is expected to work. This paper believes that it is imperative that the evaluation component of the program be implemented in order to reach the final outcomes of interest. The evaluation component of this effort can examine both process and outcomes or impacts of the program.

Figure 1: Logic Model of PMES



Process evaluation involves the systematic collection of program implementation information to assist in the interpretation of program outcomes. It offers insight into program implementation to judge whether a program successfully achieves its objectives or not and helps explain the root causes of a program impact. Process evaluation activities include interviewing people connected with the program, meeting attendance, analysis of program documents, and monitoring and analysis of coverage of the program. The process evaluation activities will also examine where the resources are being spent, the quality of the performance measurement system, and how well the system is designed and implemented. As noted, there are several components of the PMES, taking into account factors such as the formal and informal structure, the planning, reward, control and information systems. How the managers blend their skills and personalities to these environmental factors to influence the behavior of their employees to improve organizational performance is something that can be teased out in a process evaluation framework. Process evaluation can help us determine how managers translate inputs to attain the desired results is as important as the final outcome.

An outcome evaluation will examine the short-term implications of the PMES to determine whether the program components are "working" or making a difference in changing behavior of management. Ultimately, outcome evaluation can focus on examining the impact of the PMES to determine if the effort is being made on a large enough scale with sufficient intensity and duration to make a difference in the level of performance of these organizations. Consistent with the goals of the program, it would examine the effects of the PMES on PE performance growth (measured by profitability, productivity and efficiency) and determine if participation in PMES appears to affect performance growth in a significant manner. An impact evaluation would examine the counterfactual; that is, what would have happened had the PMES not been implemented?

Having presented what an ideal evaluation component of the program should entail, the question can now be asked: How has the system performed relative to the standards outlined? The short answer is that there has been a lot of performance monitoring but very little evaluation. The State Enterprises Commission (SEC) has used the quarterly reports to assess the performance of the enterprises by comparing actual performance against the various targets set in the performance contracts. The SEC also required the quarterly reports to identify potential problems facing the PE and suggests corrective measures to address the problems during the course of the contract year. In addition to a mid-year evaluation where representatives of the SEC and the PE review progress to date, there is also continual on-going dialogue and consultation between the two. At the end of the year, the SEC prepares an annual performance evaluation report based on information generated from the quarterly reports. The report is structured into five parts (State Enterprises Commission, 1992) as follows:

- Basic information sheet explaining the main activities, outputs, inputs, pricing and other aspects of PE operations and mission.
- Comparison of performance targets and actual results.
- Performance index sheet which is a weighted overall performance score based on actual versus the target performance.

- Profit and loss statement showing summary of enterprise progress over last five years.
- Performance review assessment of factors underlying actual performance and departure from the targeted levels.

Copies of the annual report are sent to all the major stakeholders involved with the PMES, including the enterprise, sector ministry, Ministry of Finance and Economic Planning and the public.

The Case for Increased Evaluations

This study takes the position, as did Vernon (1979), that explanations of PE behavior remain weak and that there is a dearth of knowledge about how public enterprises are managed, the motivations that affect management behavior and the implications of control mechanisms on the enterprises (Aharoni, 1981; Lewin, 1981; Ramamurti, 1987). This is particularly so in developing country experience under public enterprise reform programs. Typically, evaluation reports measure success by eyeballing performance indicators and drawing conclusions from the resulting trends. While useful for some purposes, the eyeballing approach does not show whether the results are due to the intervention or other factors. Moreover, these reports provide relatively little to our understanding of the dynamic internal processes that contribute to, or hinder, the attainment of enterprise objectives.

Access to useful and timely information is an important asset for promoting improved program management and increased efficiency and effectiveness in programs. The PMES is indeed an important tool for generating organizational performance information. By some measure, the PMES may be perceived as doing exactly what it was designed to do. Jones (1991) perceives the performance monitoring and evaluation system (signaling system) as an alternative solution to the public enterprise problem because by holding management accountable for achieving objectives previously agreed upon, the performance monitoring and evaluation system serves as a guide and motivates managers to increase firm performance.

The case for evaluation, however, centers on the belief that while performance monitoring is an acknowledged useful decision-making tool, it only plays a complementary role with program evaluation for systematic program assessment. Performance measurement (or performance monitoring) can be described as "the gathering of information about the work effectiveness and productivity of individuals, groups, and larger organizational units" (Larson & Callahan, 1990, 530). Similarly, the United States Government Accountability Office defines performance measurement as "the ongoing monitoring and reporting of program accomplishments, particularly progress towards pre-established goals" (2005, 3). Program evaluations, on the other hand, are individual systematic studies conducted to assess how well a program is working; it attempts to examine achievement of program objectives in the context of other aspects of program performance or in the context in which it occurs. According to the GAO, the two differ in terms of focus and use. The focus of performance measurement is on whether a program has achieved its objectives, expressed as measurable performance standards. Program evaluations typically focus on a broader range of information on program performance and its context than is feasible to monitor on an ongoing basis. Evaluations can focus on program processes or outcomes or both. With respect to use, performance measurement, because of its ongoing nature, can serve as an early warning system to management and as a vehicle for improving accountability to the public whereas a program evaluations is typically more in-depth examination of program performance and context and allows for an overall assessment of whether the program works and identification of adjustments that may improve its results.

Grizzle (1981) has noted that the essence of a performance measurement system is to reduce uncertainty about programs including reducing the uncertainty involved in (a) planning future courses of action and (b) knowing the consequences of past actions in ways useful to a variety of decision-makers. Information flows enhance the accountability process both between government and the PEs as well as between enterprise management and workers, all of whom are major stakeholders in the enterprise. Perhaps the single most important legacy of the PMES is creation of an awareness among PE management and workers that they are being measured by some yardstick, that a neutral and outside body is monitoring their performance, and that there is a need to be conscious of issues related to organizational profitability, productivity and efficiency. PMES may have helped the agencies to plan and review their targets and created an accountability awareness, but it is impossible to attribute the success or the failure of the PE sector to PMES without conducting a thorough evaluation of the program.

Explaining the Lack of Evaluation in PMES

So, why is there a whole lot of monitoring going on but so little evaluation? As noted evaluation has its own set of problems that make its utilization difficult. Several authors have identified a lack of management support, resources, and relevant data as some of the key ones. Others have observed that useful program evaluation can be inhibited by lack of agreement on the goals, objectives, side effects, and performance criteria to be used in evaluating programs and inability of policymakers or managers to act on the basis of evaluation information. The following represent some of the key factors identified in the literature.

Defining Performance: The official, stated objective of Ghana's public enterprise project is to increase the "efficiency, productivity and profitability" of the enterprises. It is now well-recognized that neither one of these variables is a substitute for the other because a very profitable firm may have low labor productivity and a highly productive firm may not be profitable (Hutchinson, 1991; Parker & Hartley, 1991). Also, excellent stock performance may cover massive inefficiency. The challenge of selecting the appropriate measure is addressed by "using a variety of criteria, including financial measures commonly used by accountants in assessing business performance, as well as some standard economic measures, such as partial and total factor productivity" (Parker & Hartley, 1991a, 116). Defining profitability as an indicator of performance is a challenge in part because there are so many ways to measure profitability and none seems appropriate for all circumstances nor seem to meet the needs of all stakeholders. Including the other indicators of performance makes the data collection effort rather tedious.

Program goals/objectives. The second issue is the lack of clarity in defining the goals and objectives in the PMES. Government policy requires some of the enterprises to perform on sound commercial principles but exactly what this means is not clear. In a survey of PEs involved in the PMES, 11 clearly identified profit-making as the primary objective of the company. Four others used terms such as "break-even," "self-sufficiency" and "financial viability" to describe their respective enterprise's primary objective while four others identified meeting social responsibilities as the primary objective. These responses are indicative of some of the dilemma and suggest that although returns on assets are an important consideration, there are others, such as meeting social obligations that are equally important (Bavon, 1995). When the goals are not clear to the stakeholders, it makes the work of the evaluator more difficult. Rutman (1984) describes how the lack of clarity about program objectives can be a hindrance to successful evaluation. These include:

- Vague objectives that provide little basis for accountability and insufficient direction for the program,
- Unrealistic objectives that are beyond the reach of the program and for which its manager should not be held accountable,
- Varying perceptions among managers and program staff about the meaning and priority of objectives, and
- Competing or conflicting objectives.

Lack of Transparency. While the performance data collected by the SEC may not be complete and current, the agency does collect the data even though it does not disseminate them nor make them readily available for public consumption. Few people are aware of the data and the head of the SEC has to approve data access to the public. Even so, an important component in measuring the success or otherwise of the PMES, cost, is a closely guarded secret known to only a few.

Lack of Resources. It has been noted that lack of evaluation planning and insufficient fiscal and trained human resources to implement evaluation plans hinder many evaluations of policy interventions. While there are a number of independent consultants and private-sector employees in the non-profit organizations and other firms that perform some evaluative functions, the shortage of qualified personnel in the public sector is a challenge in Ghana.

Expanding Evaluation Capacity

Building evaluation capacity is imperative for a number of reasons but one is worth mentioning here. There is a national effort underway to implement a Civil Service Performance Improvement Program (CSPIP), which is designed to promote reform of the Ghana Civil Service and to improve the efficiency and effectiveness in the delivery of its services and outputs by instituting capacity building in national and local governments (all ministries, departments and agencies, and district assemblies) and institute good governance culture in all aspects of the organization and management of the civil service.

Although the institutional arrangement under the reform program calls for both performance monitoring and evaluation, the system has focused on the monitoring and provision of bottom-line judgment about each enterprise performance at the end of the year. This may not be a bad strategy during the formative years of the program but 20 years is a long time for an organization to evolve from a monitoring entity into one that is capable of conducting evaluations of program impact. It can then mature into a self-evaluating organization that can embark on a continual assessment of its operations to explain performance trends and identify causal factors impacting performance. While the effort to grow and nurture in-house evaluation personnel the SEC can start a program of collaborating with independent organizations to conduct performance evaluations at regular intervals, perhaps every three years with the task of identifying areas in which major improvements could be made to help the public enterprises realize their productive potential. The evaluation envisioned would be comprehensive and cover areas such as compliance, economy, efficiency and other program results. Comprehensive evaluations would extend to an "examination and appraisal of the propriety of the objectives pursued and the methods used, effectiveness in stating objectives and in attaining them, and finally, the efficiency of performance as measured by the benefits received and resources utilized" (Aharoni, 1982, 73). With a clearly defined scope and study objectives, program effectiveness can be measured by the extent to which the intended and desired objectives were achieved. A good evaluation design should help identify the criteria for the evaluation of program efficiency.

There are a range of professional evaluation associations that are committed to developing and enhancing evaluation capacity in the developing world. One such organization is the International Initiative for Impact Evaluation, which works to improve the lives of people in the developing world by supporting the production and use of evidence on what works, when, why and for how much. This initiative responds to demands for better evidence to help enhance development effectiveness by promoting better informed policies. It even finances high-quality impact evaluations and campaigns to inform better program and policy design in developing countries. Another organization is the Network of Networks for Impact Evaluation (NONIE), which is an umbrella organization comprised of the Organization for Economic Co-operation and Development's Development Assistance Committee (OECD/DAC) Evaluation Network, the United Nations Evaluation Group (UNEG), the Evaluation Cooperation Group (ECG), and the International Organization for Cooperation in Evaluation (IOCE) - a network drawn from the regional evaluation associations. NONIE was formed to promote quality impact evaluation and fosters a program of impact evaluation activities based on a common understanding of the meaning of impact evaluation and approaches to conducting impact evaluation.

Another organization that can play a unique role in the capacity development process is the African Evaluation Association (AfrEA). AfrEA was founded in 1999 in response to a growing demand for information sharing, advocacy and advanced capacity building in evaluation in Africa. It is an umbrella organization for more than 20 national M&E associations and networks in Africa, and a resource for individuals in countries where national bodies do not exist. AfrEA works with the national networks and interested partners on the continent and worldwide to develop a strong African evaluation community. Beyond organizing conferences and other professional development programs, AfrEA can take a cue from the work of the Florida Association of Voluntary Agencies for Caribbean Action (FAVACA) and offer its services in the evaluation field to the various governmental as well as non-governmental organizations that may have the need to develop evaluation capacity on the continent. FAVACA is a community assistance network that responds to requests for technical assistance from developing nations in the Caribbean and Central America by matching qualified US volunteers with host country agencies. Such collaborative efforts are likely to engender a lot of benefits, including establishing a basis for overcoming some of the barriers to evaluation identified by reducing the suspicion and fear of the stakeholders and increasing awareness and commitment to evaluation.

Summary and Conclusion

The Government of Ghana recognized in the early 1980s that the public enterprise sector (PE) in particular was underperforming and sought to address this shortcoming by embarking on a major restructuring of the sector in the early 1980s with the overall objective of improving the efficiency, profitability, and productivity of these state enterprises. The rationale for the public enterprise reform program under the World Bank's structural adjustment lending was to create the conditions necessary for improving enterprise efficiency. Theory suggests that a functioning performance monitoring and evaluation system can serve as a mechanism for holding management accountable for achieving objectives previously agreed upon and motivate managers to increase firm performance. The Ghana case example suggests that the performance measurement component of the system has been fully implemented. For instance, agencies have developed strategic plans, set agreed-upon goals and objectives, and there are mechanisms in place to measure their progress toward achieving the objectives. Unfortunately, the evaluation component of the system is not functional. There are no efforts in place to conduct process evaluations involving the systematic collection of program implementation information to assist in the interpretation of program outcomes. As a result, there are very little insights into how programs are implemented to judge whether a program is successfully achieving its objectives and help explain the root causes of program impact. In addition, there is no evidence of a comprehensive impact evaluation of the PMES to determine if the effort is making a difference in the level of performance of these organizations and whether participation in PMES appears to affect performance in a significant manner. The literature suggests that PMES cannot achieve its full potential without the full implementation of the evaluation component of the system.

As noted earlier, the case for evaluation centers on the belief that while performance monitoring is an acknowledged useful decision-making tool, it only plays a complementary role to systematic program evaluation. The challenges of evaluation utilization are not unique to Ghana or just developing countries alone, but they are more pervasive and require concerted effort to institutionalize the practice of evaluation. A good starting point is to make a concerted effort to grow and nurture in-house evaluation personnel at the State Enterprises Commission with the active support and collaboration with independent organizations to conduct performance evaluations at regular intervals. There are a number of local and international professional evaluation associations that are committed to developing and enhancing evaluation capacity around the world and especially in developing countries. In addition, there is a need for redefining the role of the enterprises in national development by setting clear goals and objectives and providing the support necessary to sustain the effort.

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