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STUDY TO REVIEW MMDA DEVELOPMENT PLANNING, BUDGETING, MTEF AND CAPITAL BUDGETING PROCESSES

FINAL REPORT

JUNE 2010



GERMAN TECHNICAL
CO-OPERATION



MINISTRY OF FINANCE AND
ECONOMIC PLANNING

Executive Summary

Ghana's decentralisation policy and programme emphasises decentralisation by devolution and for that reason is aiming at granting Metropolitan, Municipal and District Assemblies (MMDAs) the authority to raise, allocate and utilise financial resources to promote development. This situation informed the preparation of the Intergovernmental Fiscal Decentralisation Framework to galvanise support from stakeholders towards institutionalising fiscal decentralisation in Ghana. The IDF had four (4) main components one of which is financial management and accountability. One of the key activities under the financial management and accountability component of the IDF is *a study to review development planning, budgeting, capital budgeting and MTEF processes so they can be better aligned, harmonised and coordinated.*

Through a combination of both primary and secondary data and descriptive and exploratory approaches, the study established that the planning and budget preparation process at the national and regional levels was inconsistent with the process at the district level; The inconsistencies were with regard to timing of the processes, methodologies being used, approval processes and reporting system at the district, regional and national levels. As a result of this, plans and budgets and expenditure out turns of MMDAs did not find expression in that of the various sector ministries, departments and agencies and the national plan and budget. This situation has implications for policy implementation and accountability issues since it becomes very difficult to track policy implementation and accompanying resource allocation and expenditure outturns at all levels. The under listed factors account for the inconsistencies in planning and budgeting processes:

Budget Preparation Process

- The commitment of MoFEP to decentralisation process was doubtful given the seemingly low priority MoFEP gives to district level budget issues in the national budget preparation process. The annual budget guidelines issued by MoFEP currently serve no purpose to MMDAs although almost 7.5% of national revenue is being administered by MMDAs. The current annual budget guidelines make virtually no reference to MMDAs. There are currently no guidelines for the preparation of district budgets except the guidelines for the preparation of the supplementary budget issued by the Administrator of the District Assemblies Common Fund (DACF Administrator).
- Although MoFEP is responsible for allocating, disbursing and coordinating the implementation of budgets at all levels, it does not receive copies of MMDA budgets (both recurrent and supplementary budget). Currently, MMDAs submit their annual budgets (recurrent and supplementary) to MLGRD/CAGD and the Administrator of DACF respectively. With regards to timing of the budget preparation process, the district recurrent budget is prepared and approved by the end of **October**, at a time when the national budget is being presented to Parliament for approval. Parliament debates the budget and enacts Appropriation Bill in **December/January**. Obviously, the timing of the process does not allow district budgets to be aligned and harmonised with the national budget. The district supplementary budget is also prepared and submitted to the DACF Administrator in **June**.

This was because guidelines for preparing supplementary budgets are issued by the DACF Administrator in **April/May of the ensuing year**.

- The budget preparation methodologies at the national and districts levels were inconsistent. MMDA budgets were in the line-item format although the four (4)-item Medium Term Expenditure Framework (MTEF) budget format was being used at the national and regional levels. All MMDAs were yet to switch to the use of the MTEF format for budget preparation. Although all budget officers had received training in the use of the MTEF format, the majority of them could use the format to prepare only expenditure estimates.
- The planning and budgeting cycles at the district and regional/national levels were not linked. The procedures and timelines did not in any way establish a framework for integrating the district level annual planning and budgeting process into the national and regional level processes (ref. to Annex I).

Budget Implementation Process

- MMDAs employed varied processes in the disbursement of funds especially Internally Generated Funds (IGF) because there are no guidelines for the utilisation of funds from internally generated sources. The majority of MMDAs utilised funds from IGF without recourse to budget estimates. This situation did not allow effective control of expenditure. MMDAs were also unable to track funds disbursed to other decentralised departments and NGOs within their respective districts. Also, some Development Partners required MMDAs to open separate accounts to receive funds for their projects. This situation did not allow for effective tracking on the flow of funds from the national to the district level.
- Although NDPC was responsible for coordinating the implementation of national, sector and district plans, the Commission has virtually no control in the allocation and disbursement of funds to MDAs and MMDAs by MoFEP and the Administrator of DACF. The effect has been the weak link between plans and budgets especially at the district level.
- What is currently described as “composite budget” at the MMDA level is nothing more than the dis-aggregation of budget at the MDA level to the MMDAs. Only a small proportion of budgetary allocation for sector MDAs gets to the MMDA level. Departments such as Community Development, Social Welfare, Environmental Health were the worst affected. This situation did not allow for effective implementation of government policies and programmes since departments at the district level do not receive adequate financial resources to implement programmes and projects. The bulk of financial resources remain at the national headquarters of MDAs who are primarily responsible for policy formulation.

Plan Preparation Process

- The current process of preparing a national development plan every four years was bureaucratic, cumbersome and costly and affected the timely preparation and issuance of

guidelines by NDPC for the preparation of sector plans and DMTDPs. This delayed the preparation of sector plans and DMTDPs and affected plan and budget implementation. In addition to this, the constitutional provision that allows government up to two (2) years to prepare broad policy framework for approval by Parliament did not allow the national plan preparation process to receive the required attention. Again, funding of the national plan preparation process by central government was also low.

- RCC/RPCUs were unable to prepare and submit regional harmonised plans to NDPC on time. This had affected alignment and harmonising of district plans with the national plan. This situation was attributed to inadequate funding of the RPCU secretariat and delay in issuing guidelines on the plan preparation process by NDPC.
- The Annual Action Plans of MMDAs were not linked to their DMTDPs. This was because MMDAs rarely referred to their DMTDPs to select programmes and projects for implementation in their AAPs. This situation was attributed to several on-going projects which had to be completed before new programmes and projects in the DMTDP could be started; the untimely disbursement and huge deductions from DACF; and the influence of Chief Executives in the selection of projects for implementation. Another reason for the poor linkage between AAPs and DMTDPs was that MMDAs prepared and submitted their AAPs to the RCC (ideally by end of October) before receiving indication on funds allocated to the MMDA from DACF in the first quarter of the ensuing year. As a result, Annual Action Plans were prepared by MMDAs without recourse to financial resources at their disposal.

Reporting System

- With regards to planning, MMDAs prepare and submit quarterly progress reports, mid-year reports and annual reports to NDPC and MLGRD. MMDAs also prepare and submit monthly bank reconciliation statements, trial balance and income and expenditure statement to MLGRD/CAGD. They also prepare and submit annual statement of accounts to MLGRD/CAGD. None of these reports are made available to MoFEP even though MoFEP is responsible for allocating funds to MMDAs. Under these circumstances it becomes difficult for MoFEP to track the flow and utilisation of funds for reporting at the national level.

Recommendations

The study recommends the following among other actions in order to align, harmonise and coordinate the planning and budgeting processes at the national, regional and district levels. These recommendations have been summarised and presented in the form of a matrix overleaf:

- MoFEP should take keen interest in planning and budgeting issues at the district level by establishing a Fiscal Decentralisation Unit/Desk within its Budget Division to provide oversight responsibility in the preparation and implementation of district budgets. The unit should be responsible for receiving and reviewing district plans, budgets and expenditure returns. This will enable MoFEP track resource allocation and utilisation at the district level. Related to this proposal, MoFEP should prepare a budget manual to guide the preparation of budgets at the national, regional and district levels. The manual should define clear

processes for linking district budgets to the regional and national budget. MLGRD/MoFEP should direct all MMDAs to submit copies of all their budgets and financial reports to MoFEP.

- Related to the above recommendation, NDPC should also prepare a planning manual to guide the process of preparing action plans especially by sector MDAs and MMDAs. The manual should define processes for linking MDAs/MMDAs annual action plans with their budgets.
- NDPC should expedite action on the preparation of a national long term development plan to guide the overall development of the country over the next 15 to 20 years. The plan should identify and address the challenges across all sectors of the country. This would ensure the speedy periodic review (annual or mid-term) of guidelines for preparing sector plans and DMTDPs and minimise the delay in the issuance of guidelines. This recommendation is being made based on the fact that although the NDPC has initiated a process towards the preparation of a national long term development plan over the period 2006 -2015, there are indications that the process has been stalled.
- The DACF Administrator should, in conjunction with MoFEP and MLGRD issue guidelines for utilisation of the DACF in the second quarter of the ensuing year to enable MMDAs prepare and submit their supplementary budgets together with the recurrent budget by October for harmonisation and alignment with national budget.
- MoFEP and the DACF Administrator should review their current budget scrutiny procedures to enable NDPC play an active role in the review and allocation of funds to Ministries, Departments and Agencies (MDAs) and MMDAs before the budget is submitted to Parliament.
- MoFEP in conjunction with MLGRD should provide hands-on training for Budget Officers/Analysts of MMDAs to enable them use the MTEF for both revenue and expenditure estimates. Subsequently, MLGRD/MoFEP and CAGD should direct all MMDAs to prepare all their budgets (recurrent and supplementary) using the MTEF format. MoFEP/MLGRD should direct all MMDAs to submit copies of their financial reports to MoFEP.
- MoFEP should issue budget allocations directly to the sector ministries (for their headquarters functions), Regional Coordinating Councils and MMDAs. MoFEP should provide an outline of performance indicators to budget volumes. The performance indicators should be linked to sector MDA and MMDA plans. MLGRD should expedite action on the implementation of Local Government (Departments of District Assemblies) (Commencement) Instrument, 2009, (L.I. 1961) to transfer the functions of the 22 sector (line) departments of central government fully into the proposed 11, 13 and 16 departments as indicated in Act 462

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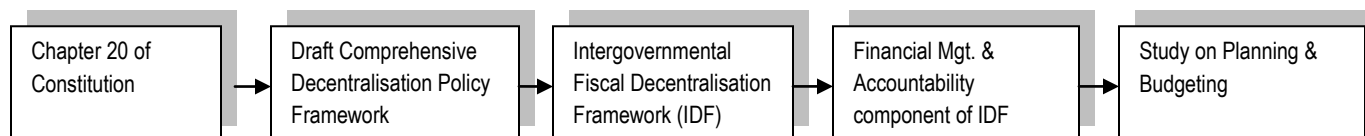
List of Abbreviations

AAP	Annual Action Plan
ADACF	Administrator of the District Assemblies Common Fund
AFD	Agence Francaise de Developpement
BPEMS	Budget and Public Expenditure Management System
CAGD	Controller and Accountant General Department
CoA	Chart of Accounts
DACF	District Assemblies Common Fund
DDF	District Development Facility
DMTDP	District Medium Term Development Plan
DPCU	District Planning Coordinating Unit
DPs	Development Partners
GAS	Ghana Audit Service
GIFMIS	Ghana Integrated Financial Management Information Systems
GoG	Government of Ghana
IAA	Internal Audit Agency
IDF	Intergovernmental Fiscal Decentralisation Framework
IGF	Internally Generated Fund
LGS	Local Government Service
LI	Legislative Instrument
MDAs	Ministries, Departments and Agencies
MLGRD	Ministry of Local Government and Rural Development
MLGRDE	Ministry of Local Government, Rural Development and Environment
MMDAs	Metropolitan, Municipal and District Assemblies
MoFA	Ministry of Food and Agriculture
MoFEP	Ministry of Finance and Economic Planning
MoH	Ministry of Health
MTEF	Medium Term Expenditure Framework
NDPC	National Development Planning Commission
RCC	Regional Coordinating Council
RPCU	Regional Planning Coordinating Unit
SfDR	Support for Decentralisation Reforms
GHS	Ghana Health Service
GES	Ghana Education Service
SMCD	Supreme Military Council Decree
TCPD	Town and Country Planning Department

1 INTRODUCTION

This chapter provides a brief background, objectives and scope to the study. The study is underpinned by three (3) distinct but interrelated legal and policy documents as illustrated in **Figure 1** i.e. the Fourth Republican Constitution of Ghana, the Draft Comprehensive Decentralisation Policy Framework and the Intergovernmental fiscal decentralisation framework (IDF). These legal and policy documents and how they relate to the assignment are briefly discussed hereunder.

Figure 1 Background to the Study



Source: Authors' own construct

1.1 Background to the Assignment

The Fourth Republican Constitution recognizes decentralisation as a strategy for national development. In this connection, Chapter Twenty (20) of the constitution is devoted to issues relating to “Decentralisation and Local Government”. In effect, decentralisation and local government have become a constitutional issue. To give meaning and form to the functioning of decentralisation, Parliament enacted the Local Government Act, 1993 (Act 462). Although the 1992 Constitution prescribes a devolved form of decentralisation where there is a transfer of authority for decision making, finances and management from central to local governments, the central government still performs many functions that should be moved to the sub-national level. It also continues to control the majority of regional and district financial resources. In March 2007, the then Ministry of Local Government, Rural Development and Environment (MLGRDE) issued a Draft Comprehensive Decentralisation Policy Framework with the objective “...to deepen political, administrative and fiscal decentralisation in Ghana and to affirm the government’s commitment to the policy of decentralisation in conjunction with people’s participation” (GoG, 2008:5). The fiscal policy and financial management principles espoused in the Draft Comprehensive Decentralisation Policy Framework provided the basis for the preparation of the Intergovernmental fiscal decentralisation framework (IDF). This framework deals with the financial management component of the Government’s decentralisation programme.

The goal of the IDF is to provide a comprehensive road map which has broad based support for the vision of fiscal decentralisation as well as strategies to meet that vision. The framework was developed in 2008 and is structured into four broad areas:

- expenditure (functional) assignment and authority
- revenue and funding arrangements
- financial management and accountability; and
- institutional arrangements¹

¹ Government of Ghana (2008) Intergovernmental Fiscal Decentralisation Framework. Issued by the Ministry of Local Government, Rural Development and Environment. March 2008.

The financial management and accountability category entails proposed interventions on planning and budgeting, procurement, internal and external audit, payroll, accounting, financial reporting and monitoring & evaluation of finances and programmes. One of the key activities under the financial management and accountability component of the IDF is *a study to review development planning, budgeting, capital budgeting and MTEF processes so they can be better aligned, harmonised and coordinated*. Through competitive tendering, MAPLE Consult was selected to carry out the study. This report presents the objectives, key outcomes and recommendations of the study.

1.2 Outline of the Report

This report is organised into five chapters. **Chapter One** presents an introduction to the study and outlines the study objectives and scope. The research approach and methodology is detailed out in **Chapter Two** while **Chapter Three** describes the context within which the study is situated by reviewing the structure and form of decentralisation in Ghana as well as the process towards fiscal decentralisation. The research findings are highlighted and discussed in **Chapter Four**. **Chapter Five** catalogues recommendations from the study for consideration and discussion at an upcoming stakeholders' forum which is expected to culminate in the development of a road map towards better harmonising, aligning and coordinating the planning and budgeting processes at the national, regional and district levels.

1.3 Objectives of the Assignment

The Consultant's Terms of Reference (ToR) specifies the objective of the assignment as: "to carry out a study aimed at identifying gaps within the national and local planning and budgeting systems and propose recommendations with a view to ensuring a harmonised system for effective implementation of plans." This report provides a number of conclusions and recommendations from the study that will be discussed with national stakeholders at a final workshop and would constitute the basis for the development of a road map to align, coordinate and harmonise planning and budgeting processes at the national, regional and district levels.

The specific objectives of the assignment as outlined in the ToR are to:

- identify gaps within national and local planning and budgeting systems; and
- propose measures to harmonise the processes for a more effective and integrated planning and budgeting processes in the decentralised governance system.

1.4 Scope of Work

The assignment entailed the following key activities as indicated in the ToR:

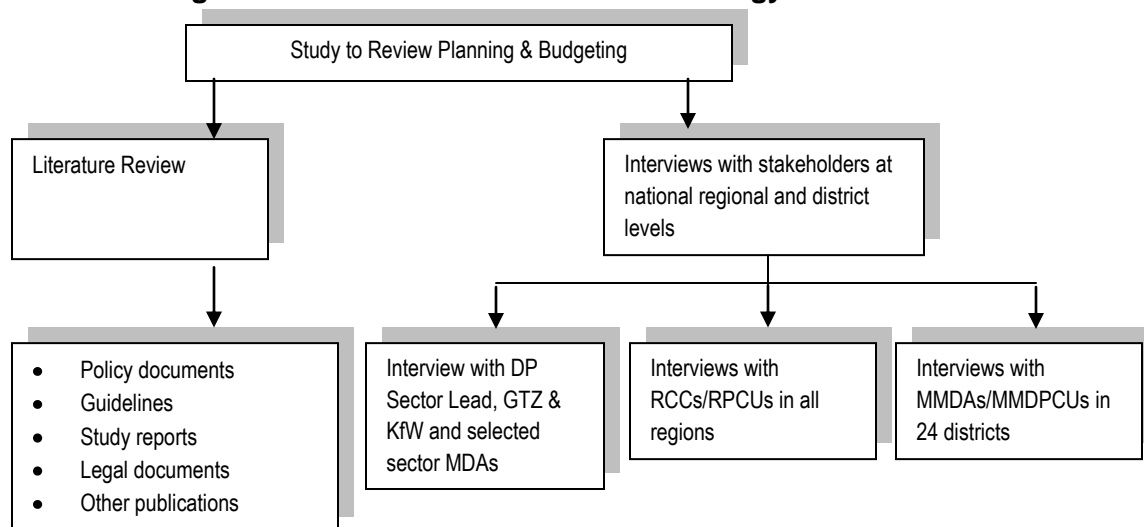
- reviewing existing legislative and institutional framework for planning, budgeting and accounting as well as expenditure management systems in Ghana;
- review current practice of planning, budgeting and accounting processes at both local and national levels;
- identification of inconsistencies in the process relating to timing, reporting, allocation and disbursement of funds;

- identification of the resource and human capacity gaps in the processes in terms of alignment and harmonisation within the context of public financial management; and
- making recommendations on how these processes can be better aligned, harmonised and coordinated.

2 STUDY APPROACH AND METHODOLOGY

The research methodology and approach adopted for this study is explained in this chapter. An overview of the research methodology is illustrated in **Figure 2**. The details are provided subsequently in this chapter.

Figure 2 Overview of Research Methodology



Source: Authors' own construct

2.1 Overview of Study Methodology

The study methodology entailed reviewing relevant literature on planning and budgeting in Ghana. A summarised output of the literature review is presented in **Chapter 3** (ref: pg. 8) and other details attached as **Appendix 1**. Key informant interviews were held with representatives of selected Ministries, Departments and Agencies:

- Ministry of Local Government and Rural Development (MLGRD)
- Ministry of Finance and Economic Planning (MoFEP),
- Ghana Health Service (GHS)
- National Development Planning Commission (NDPC)
- Local Government Service (LGS)
- Ghana Health Service (GHS)
- Ghana Education Service (GES)
- Controller and Accountant General's Department (CAGD)
- Ministry of Food and Agriculture (MoFA)
- Administrator of the District Assemblies Common Fund (ADACF)
- Town and Country Planning Department (TCPD)
- Department of Feeder Roads (DFR)

Discussions were held with the Development Partners' (DPs) sector lead and officials from GTZ and KfW. These interviews were aimed at: a) quantitatively gathering information on sector

activities and implementation modalities and b) qualitatively assessing the practice, attitude and perceptions among sector stakeholders as regards planning and budgeting process and fiscal decentralisation in Ghana.

Discussions were also held with stakeholders at the regional (core staff of the Regional Coordinating Council or members of the Regional Planning Coordinating Unit in all regions) and district levels (members of the District Planning Coordinating Units in 24 MMDAs across all regions). The discussions centred on their experiences on planning, budgeting, accounting and expenditure management processes at the regional and district levels and how the processes feed into the national level planning and budgeting process. The list of MMDAs visited is presented in **Table 1**.

Table 1 List of MMDAs visited

Region	Name of MMDA	Status
Greater Accra	Accra Metropolitan Assembly	Metropolitan
	Dangme West District Assembly	District
Ashanti	Kumasi Metropolitan Assembly	Metropolitan
	Kwabre East District Assembly	District
Eastern	New Juaben Municipal Assembly	Municipal
	Akuapem North District Assembly	District
Volta	Ho Municipal Assembly	Municipal
	South Dayi District Assembly	District
	Hohoe Municipal Assembly	Municipal
Brong Ahafo	Sunyani Municipal Assembly	Municipal
	Tano North District Assembly	District
Central Region	Cape Coast Metropolitan Assembly	Metropolitan
	Assin South District Assembly	District
	Twifo Hemang Lower Denkyira	District
Western	Sekondi Takoradi Metropolitan Assembly	Metropolitan
	Mpohor Wassa East District Assembly	District
Northern	Tamale Metropolitan Assembly	Metropolitan
	Savelugu District Assembly	District
Upper East	Bolga Municipal Assembly	Municipal
	Kassena-Nankana District Assembly	District
Upper West	Wa Municipal Assembly	Municipal
	Nadowli District Assembly	District

The list of all officials consulted by the study team is attached as **Appendix 2**.

3 STUDY CONTEXT

3.1 Introduction

The first step towards understanding and establishing gaps in the alignment, harmonisation and coordination of the planning and budgeting process in Ghana is identifying and reviewing the structure and form of decentralisation including fiscal decentralisation and the legal and institutional framework for decentralised planning and budgeting in Ghana. This chapter provides an overview of the legal and institutional framework for decentralisation, decentralised planning and budgeting in Ghana.

3.2 Form and Structure of Decentralisation System in Ghana

Decentralisation of the machinery of government has been espoused in the 4th Republican Constitution of 1992. Article 35 (6) (d) of the Constitution provides for making “democracy a reality by decentralising the administrative and financial machinery of government to the regions and districts”. To give form and meaning to the constitutional provisions relating to decentralisation, the government enacted the Local Government Act, 1993 (Act 463). Other subsidiary legislation have also been enacted to deepen the range, scope and process of decentralisation, notably Local Government (Urban, Zonal and Town Councils and Unit Committees) Establishment Instrument of 1994 (L.I. 1589), Civil Service Law of 1993 (PNDC Law 327), District Assemblies Common Fund Act of 2003 (Act 455), National Development Planning (System) Act of 1994 (Act 480) and the Local Government Service Act of 2003 (Act 656). From a review of these legal documents and commentaries on Ghana’s decentralisation policy and programme, the objectives of the decentralised system can be stated as follows

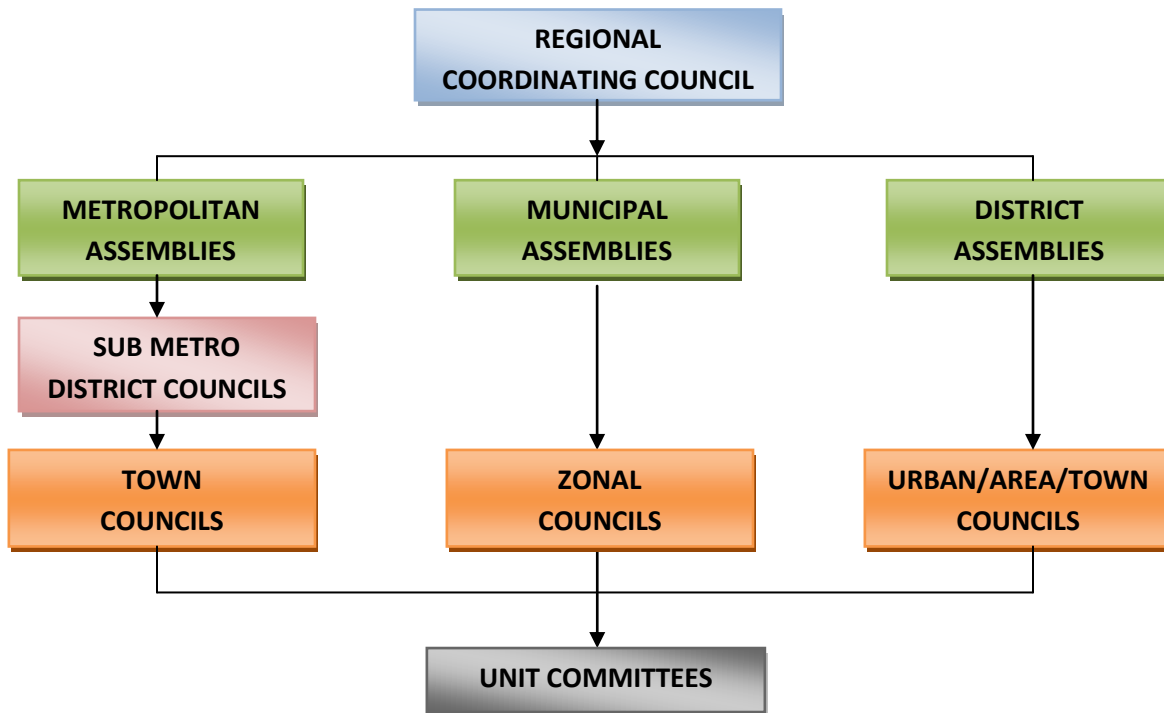
- restructure the allocation of resources and reassign functions and responsibilities into three levels of government (national, regional and district) to promote efficiency of management;
- integrate central and local government units and functions at the district level into the District Assembly system; and
- improve resource allocation, utilisation and management as well as administrative efficiency by providing for flexible adaptation of local conditions and circumstances that may affect development efforts and outcomes

(Zanu, 1996; and Kokor and Kroes, 2000 in Owusu, 2002):

Generally, the local government structure that emerged under the decentralised system of planning and public administration has four levels: national, regional, district and sub district level institutions. At the **national level**, the ministries have been restructured into four-line directorates to deal with broad sector policy formulation, planning, budgeting and monitoring and evaluation. At the **regional level**, the Regional Coordinating Councils coordinate, harmonise, monitor and evaluate the activities of metropolitan, municipal and district assemblies within their respective areas of jurisdiction. At the **district level**, the metropolitan, municipal and district assemblies are the highest political administrative, legislative, development planning including implementation and rating authority. At the **sub district level**, the sub metro district councils, urban councils, zonal councils, town councils, area councils and unit committees have been established to perform community and grassroots planning and management functions in support of the district assemblies within which they are located. Also operating concurrently at the national, regional and district levels are the

parastatals (public companies), statutory bodies, non governmental organisations and private sector firms that do not directly form part of the decentralisation programme. The structure of the local government system is depicted in **Figure 3**.

Figure 3 Structure of the Local Government System



Source: MLGRD, 1996

Ghana's local government structure, roles and procedures, in practice entails elements of the five forms of decentralisation. These are depicted as:

- **deconcentration** where governmental functions are assigned to regional and district offices of sector MDAs e.g. Department of Feeder Roads, Department of Urban Roads e.t.c;
- **delegation** where responsibilities and authority for specific public sector activities are assigned to parastatals or other semi-autonomous central government organisation e.g. ECG, GWCL and CWSA;
- **devolution** where local government units are given the decision making, resource generation and allocation authority to perform specific public sector development functions;
- **principal agency** where local government units are allowed to perform specific public sector functions at the local level on behalf of central government under the latter's supervision and direction; and
- **privatisation** where certain public sector functions i.e. provision and management of services and facilities such as markets and refuse collection and disposal are transferred to private sector firms, individuals and NGOs. (Dotse,1990, Kokor and Kroes, 2000):

Given the experience of Ghana's decentralisation system over time, **there is an apparent emphasis and direction towards decentralisation by devolution.** The essence of devolution is discretionary authority. This implies that MMDAs must have the discretion to raise, allocate and utilise financial resources to promote the overall development of their respective areas of jurisdiction. This makes fiscal decentralisation, an essential component of Ghana's decentralisation programme.

3.3 Fiscal Decentralisation in Ghana

Fiscal decentralisation entails entrusting local government units with the authority and capacity to generate, allocate and utilise financial resources to promote socio economic development. According to Kokor and Kroes (2000), the objectives of Ghana's decentralisation programme are to increase local revenue mobilisation, restructure allocation of resources to meet local needs and empower MMDAs to make allocation decisions at the local level over both locally generated funds and those transferred from the central government.

In furtherance of these objectives, the District Assemblies Common Fund was established and has been in operation for over a decade. The allocations to each MMDA are based on a formula approved by Parliament. Disbursements are made on a quarterly basis and a quarter in arrears. The DACF is available to MMDAs only for investment expenditure. In 2008, the proportion of total government revenue allocated to the DACF was reviewed from 5% to 7.5 %. All MMDAs can only receive their allocations upon the submission of their Annual Action Plans (AAP) and Annual Budgets to the Administrator of the DACF. MMDAs have also been mandated under section 245 of the 1992 Constitution and Act 462 to collect fees, fines, rates, tolls and licences in order to support socio economic development in their areas. Further to this, several legal instruments have been enacted to ensure transparency and accountability in the use of financial resources at the local level. These include:

- Financial Administration Act, 2003 (Act 654, amendment to FAD, 1979, SMCD 221)
- Financial Administration Regulations, 2004 (L.I. 1802, revoking the Financial Administration Regulations, 1979, L.I. 1234)
- Public Procurement Act, 2003 (Act 663)
- Ghana Audit Service Act, 2000, (Act 658)
- Internal Audit Agency Act, 2004 (Act 656),

It has to be acknowledged that some modest gains have been achieved since the process of fiscal decentralisation was set in motion in Ghana. According to Kunfaa (2002), despite the many negative stories about misappropriation of funds in MMDAs, a significant number of development projects have been carried out on the initiative of almost every MMDA throughout the country, which would not have been the case if development was initiated from only the central government. A number of bottlenecks towards fully institutionalising fiscal decentralisation in Ghana however still remain. These include the following:

- Substantial authority had been given to MMDAs without accompanying resources to fulfil the mandates;
- Composite budget system has not been fully operationalised;

- MDAs continue to prepare budget estimates and account for expenditure on sectoral basis at the district and regional levels;
- Limited discretionary authority of MMDAs over funds from DACF;
- Weak local revenue generation and mobilisation capacity of MMDAs
- Untimely disbursement of funds from DACF; and
- Substantial deduction in the quarterly DACF allocation to the MMDAs to finance national level programme e.g. National Youth Employment Programme, Fumigation e.t.c.
- Variances in the amounts allocated, disbursed and actually received by MMDAs from the DACF. The variations were as a result of the fact that certain expenditures were incurred on behalf of MMDAs and the cost deducted at source.

To address these and other related challenges with fiscal decentralisation in Ghana, a number of initiatives are being implemented. An inter-governmental fiscal framework that clearly assigns service responsibilities between the central government and the sub-national level has been developed and is being implemented. A Municipal Finance Bill to assist local governments to source funds from the open capital market is being considered by Parliament. In a bid to further strengthen the fiscal capacity of MMDAs, the Ghana government and Development Partners (DPs) have introduced the District Development Facility (DDF). This facility exists to provide additional financial resources to MMDAs through an annual performance assessment to enable them implement programmes and projects in their MTDPs. The Ministry of Local Government and Rural Development also intends to introduce the concept and practice of “municipal contracts” whereby Metropolitan and Municipal Assemblies would be assessed at the technical/urban, financial and organisational levels with a view to granting them additional financial assistance to implement projects identified in a Priority Investment Programme prepared after the assessment.

3.4 Legal and Institutional Framework for Planning and Budgeting

3.4.1 Planning

The framework for decentralised development planning in Ghana is defined in the National Development Planning (System) Act of 1994 (Act 480) and the Local Government Act of 1993 (Act 462). Act 480 designates the National Development Planning Commission (NDPC) as the national coordinating body of the decentralised planning system. Act 480 further designates planning authorities within the decentralised planning system i.e. **sub-district structures** at the sub-district level; **District Assemblies** at the district level; **Regional Coordinating Councils** at the regional level; and **Sector Ministries, Departments and Agencies** and **NDPC** at the national level. According to Act 479 and 480, NDPC is responsible for preparing the national development plan and issues guidelines to MDAs and MMDAs for the preparation of sector plans and district medium term development plans (DMTDPs) respectively.

Given the status and coordinating role of RCCs as outlined under Act 462 and since RCCs have no effective regulatory authority over MMDAs, **a problem is emerging as to whether RCCs can modify the plans or decisions of MMDAs**. Although the answer is not very explicit, Kokor and Kroes (2000) concluded that in operational terms, the coordinating role of RCCs has been

interpreted to mean some authority to insist on, or ensure compliance with approved procedures and format. Ironically, while the RCCs' role of coordinating the plans and programmes of District Planning Authorities (MMDAs) and harmonising their plans and programmes with national development policies and priorities for consideration and approval by NDPC is emphasised in Section 8 (b) of Act 480, Sections 10 (3a) and 47 (1) limits the role of RCCs to serving as mere conduits for submitting MMDA plans to NDPC. This situation would require aligning the functions of RCCs in both laws.

Act 480 also makes provision for the establishment and membership of District Planning Coordinating Units (DPCUs) and the Regional Planning Coordinating Units (RPCUs). The National Development Planning Commission defined the composition, roles and responsibilities of the RPCUs and DPCUs in 2004 through the publication of the guideline for Operationalisation of DPCUs and RPCUs. The guideline for Operationalisation of DPCUs and RPCUs spells out the processes and steps in the annual planning and budgeting cycle for MMDA and this is expected to be linked with the planning and budgeting processes at the regional and national levels. The guidelines also set timelines for preparing annual action plans and budgets by MMDAs.

Although there are guidelines for the preparation of annual action plans by MMDAs, there are no such explicit guidelines on the preparation of annual plans by sector MDAs and RCCs. Besides, experience over the years has indicated that MDAs have adopted varied processes in preparing their annual action plans or work programmes with or without recourse to NDPC. It has always been assumed that MDAs and RCCs would adopt the national budget preparation process in preparing their action plans and budgets respectively. Moreover, while MDAs are required to furnish NDPC with sector plans, they are not required to prepare and submit annual action plans to NDPC.

3.4.2 *Budgeting*

The Fourth Republican Constitution establishes the framework for preparing budgets by sector MDAs and RCCs. It mandates the Ministry of Finance and Economic Planning to prepare the national budget including the mobilisation and allocation of financial resources to all sector MDAs, RCCs and MMDAs in Ghana. In practice however, MoFEP reviews and approves budgetary allocations of only sector MDAs and RCCs. The ministry annually issues budget guidelines to all sector MDAs and RCCs. Copies of these guidelines are sometimes officially made available to MMDAs but they serve no purpose to MMDAs since the guidelines are tailored to respond to broad national sectoral policies which have implications on the budget appropriations of sector MDAs.

Section 10 (3) (a) (i) and (ii) of the Local Government Act, 1993 (Act 462) provides the basis for preparation of district budgets. It stipulates that *“A District Assembly shall be responsible for the overall development of the district and shall ensure the preparation and submission through the Regional Coordinating Council of the development plans of the district to the NDPC for approval, and of the budget of the district related to the approved plans to the Minister of Finance and Economic Planning for approval.”* The provisions in Act 462 relating to budgeting recognise the roles of the RCC and the Ministry of Finance and Economic Planning. Section 92 (1) stipulates that *“Every District Assembly, shall before the end of each financial year submit to the RCC a detailed*

budget for the district stating the revenue and expenditure of the district for the ensuing year” and Section 92(2) requires the RCCs to “collate and coordinate the budgets of the districts in the region and submit the total (regional) budget to the Minister responsible for Finance” with copies to the Minister for Local Government and NDPC. The provisions relating to planning and budgeting as spelt out in the Local Government Act recognise the need for coordination and harmonisation between the lower and higher levels of government as well as alignment with national processes.

Section 92 of Act 462 institutes the composite budgeting system. The composite budgeting is an integrated budget that synthesizes and harmonizes all revenue and expenditure estimates of the plans and programmes of all decentralised departments and agencies under the District Assembly. It is distinct from sectoral budgets of MDAs at the national level. However, attempts at introducing composite budgeting at the MMDA level to date have remained at the budget preparation stage. In 2007 and 2008, the MMDAs converted the line budgets into the MTEF format using the ACTIVATE software. Currently, all the decentralised departments at the MMDA level prepare their respective departmental budgets using the MTEF format through a vertical approach with their head offices at the national level without any involvement of the MMDAs. The budgets of the MMDAs and that of the decentralised departments are then aggregated to get the district composite budget. It is worth emphasising that the budgets of MMDAs still remain line budgets.

3.4.3 Planning and Budgeting Cycles

The processes for preparing annual plans and budgets is spelt out in the guideline for operationalisation of RPCUs and DPCUs (for MMDAs) and the guideline from MoFEP on budget preparation process (budget guideline). Ideally, the planning and budgeting cycles at the national, regional and district levels are expected to be linked. The annual planning and budgeting cycles for MMDAs and RCCs/MDAs are presented in **Table 2**.

Table 2 Annual Planning and Budgeting Cycle with Timelines.

Time	Planning/Budgeting Cycle (MMDAs)	Planning/Budgeting Cycle (MDAs and RCCs)
Jan	–	Request for input into the budget by civil society and general public
Jan-Mar	–	Updating of micro-fiscal framework
May	–	Issuance of budget guidelines
Apr-June	–	MDAs review policies and expenditure priorities
July	Mid year review of MTDP and AAP	MoFEP update and reviews macroeconomic framework
July	Preparation and approval of fee fixing rates	Cross sectoral meetings and policy hearings-MDAs/MoFEP & NDPC
July	Preparation of revenue estimates	
July	DCD issues circulars to sector dep'ts. and sub structures to prepare annual action plans	

Time	Planning/Budgeting Cycle (MMDAs)	Planning/Budgeting Cycle (MDAs and RCCs)
Aug	Preparation of plans by sector dep'ts and sub districts	MDAs prepare three-year budget estimates
Sept	Harmonisation and consolidation of plan and budget by DPCU for EC's consideration	MDAs submit budget estimates to MoFEP
Sept		MoFEP reviews and conducts budget hearings (technical) for MDAs
Oct	Review draft action plans and budget based on EC comments	Submission of draft budget estimates to Cabinet
	Approval of plan and budget by General Assembly	Cabinet recommends changes to MDA allocations MDAs finalise budget volumes
November	Plan and budget implementation and coordination	MoFEP finalises budget and presents to economic management committee and Cabinet
	Plan and budget implementation and coordination	MoFEP presents year 1 budget to Parliament with indicative estimates for year 2 and 3
December		Parliament debates budget statement and enacts the Appropriation Bill
All year round	Plan and budget implementation and coordination	Budget implementation and coordination
All year round	Monitoring of plan and budget implementation	
Quarterly	Reporting on implementation	

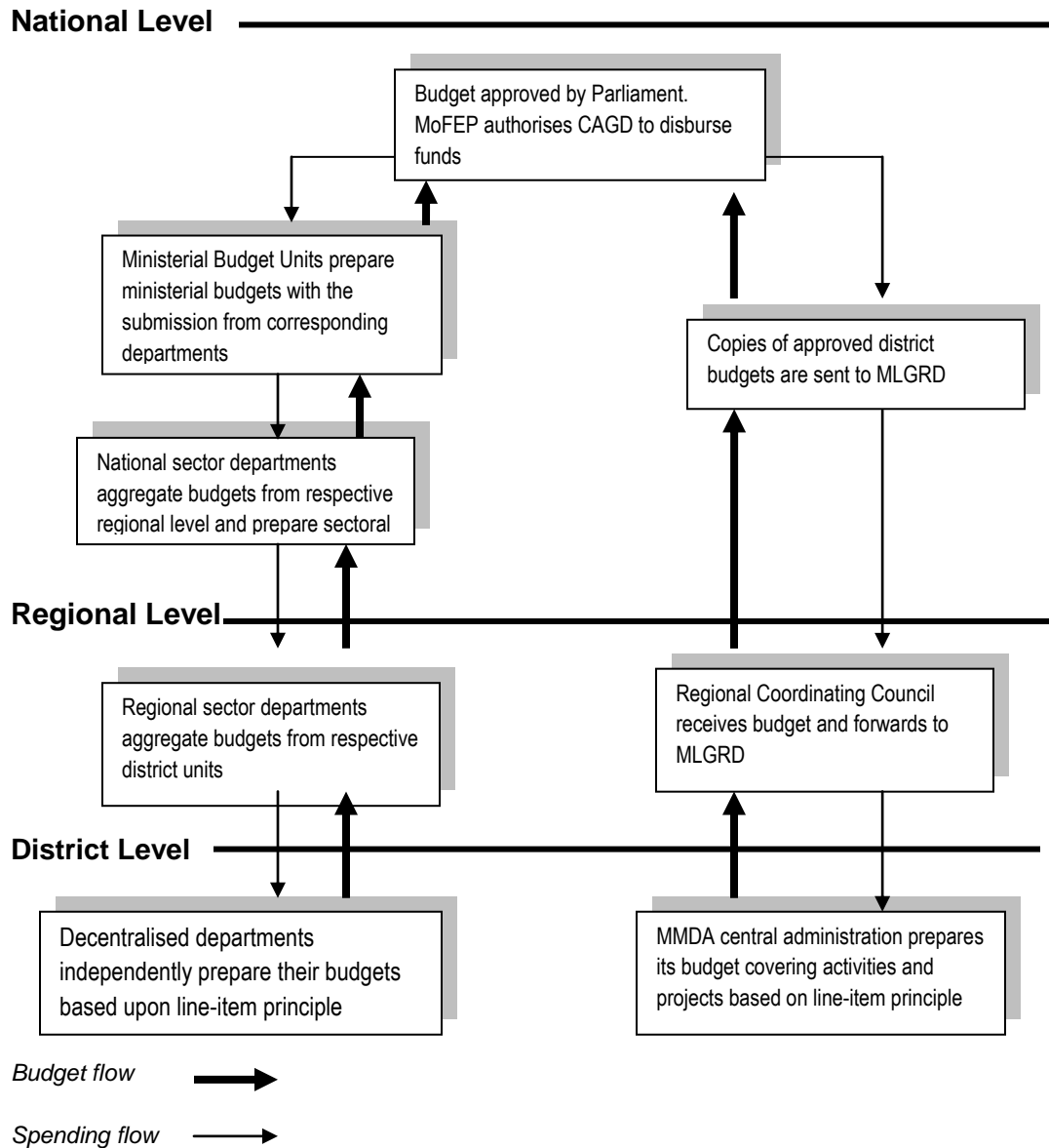
A review of the planning and budget cycles indicates that the processes at the district level are not linked to the regional and national levels. The procedures and timelines do not in anyway establish a framework for integrating the district level annual planning and budgeting process into the national and regional level processes. Beside, the activities at any of the stages at the district and national/regional levels are completely at variance with each other as shown in **Table 2**. The district recurrent budget is prepared and approved by the end of **October**, at a time when the national budget is being presented to Parliament for approval. Parliament debates the budget and enacts Appropriation Bill in **December/January**. Obviously, the timing of the process does not allow district budgets to be aligned and harmonised with the national budget. The district supplementary budget is also prepared and submitted to the DACF Administrator in **June**. This was because guidelines for preparing supplementary budgets are issued by the DACF Administrator in **April/May of the ensuing year**. As indicated in *Section 3.3.2* above, although copies of the budget guidelines from MoFEP are sometimes made available to MMDAs, they serve

no purpose to MMDAs since the guidelines are not tailored to respond to policy issues at the district level. The only reference to the district budget is where MDAs with district presence are required to break their budgets into districts to show how much funds being allocated to decentralised departments.

Paradoxically, although MoFEP is responsible for allocating, disbursing and coordinating the implementation of budgets at all levels, it does not receive copies of MMDA budgets (both recurrent and supplementary budget). Currently, MMDAs submit their annual budgets (recurrent and supplementary) to MLGRD/CAGD and the Administrator of DACF respectively.

It is also significant to note that both the central administration and the decentralised departments of MMDAs still prepare their budgets independent of each other. Indeed, what was currently described as “composite budget” at the MMDA level was actually a misnomer because it was nothing more than (a) bits and pieces of central government funds allocated to sectors at the local level, (b) allocations from the DACF (c) Internally Generated Funds (IGF) of the MMDAs. The current composite budget also excludes funds earmarked by Development Partners (DPs) for their projects in the MMDAs. In effect, what really happens is the disaggregation of budget at the MDA level to the MMDAs. The current budget preparation framework is illustrated in **Figure 4** overleaf.

Figure 4 Budgeting Preparation Framework



Source: Adapted from Kokor and Kroes, 2000.

3.5 Conclusion on Study Context

It has been established that Ghana is currently practicing a mix of the five main forms of decentralisation although the legal and institutional framework points to decentralisation by devolution. Devolution requires a degree of discretionary authority to plan, mobilise and utilise resources to promote development. This implies that fiscal decentralisation is essential in ensuring effective decentralisation by devolution. The experience in Ghana points to a desire to institutionalise fiscal decentralisation although in practice, much remains to be done. Central government still maintains substantial control over the allocation and utilisation of financial resources at the regional and district levels thus limiting the discretionary authority of regional and

district level planning authorities to allocate and utilise resources according to their plans and budgets. The establishment of the District Development Facility (DDF), Intergovernmental Fiscal Decentralisation Framework (IDF) and the concept and practice of “municipal contracts” under the AFD financed Urban Management Project are welcoming developments towards enhancing fiscal decentralisation. The existing legal and institutional framework for planning and budgeting clearly has some gaps worth highlighting:

- **There is lack of clarity on the nature, content and the approval authority for MMDA budgets** as prescribed by the Local Government Act of 1993 (Act 462). While section 10 (3) (a) recognises the Minister of Finance as the approval authority of the district budget, section 11 gives the approval authority to the District Assembly. In addition, while section 10 (3) (a) defines the scope of the budget to include the approved plan of the district, section 92 (3) requires MMDAs to include aggregate revenue and expenditure of all departments and organisations under the Assembly and the District Coordinating Directorate, including annual development plans and programmes of departments and organisations under the Assembly. These clear contradictions would require clarification by the Ministers of Local Government and Finance and Economic Planning;
- **The coordinating role of RCCs over MMDAs is unclear given their seemingly contradictory roles assigned under Act 462 and 480.** While the RCCs’ role of coordinating the plans and programmes of District Planning Authorities (MMDAs) and harmonising their plans and programmes with national development policies and priorities for consideration and approval by NDPC is emphasised in Section 8 (b) of Act 480, Sections 10 (3a) and 47 (1) limits the role of RCCs to serving as mere conduits for submitting MMDA plans to NDPC. This situation would require aligning the functions of RCCs in both laws.
- **The planning and budgeting cycles at the district and regional/national levels are not linked.** The procedures and timelines do not in anyway establish a framework for integrating the district level annual planning and budgeting process into the national and regional level processes. Beside, the activities at any of the stages at the districts and national/regional levels are completely at variance with each other. Although budget guidelines issued by MoFEP are sometimes made available to MMDAs, they serve no purpose because the guidelines respond to issues at the national and sector level rather than the district level. This situation would require reviewing both the planning and budgeting guidelines with a view to harmonising both processes by way of timing, nature and content.
- **The non-existence of clear and explicit guidelines from NDPC on the preparation of annual action plans or work programmes by sector MDAs and RCCs** has resulted in the adoption of varied processes in preparing the annual action plans or work programmes by sector MDAs and RCCs. The guidelines would have provided an opportunity to harmonise the plan preparation processes among the various sector MDAs and link the process with that of MMDAs. It has always been assumed that MDAs and RCCs would adopt the national budget preparation process in preparing their action plans and budgets respectively.

Moreover, while MDAs are required to furnish NDPC with sector plans, they are not required to prepare and submit annual action plans to NDPC.

- **What is currently described as “composite budget” at the MMDA level is actually a misnomer** because it is nothing more than (a) bits and pieces of central government funds allocated to sectors at the local level, (b) allocations from the DACF (c) Internally Generated Funds (IGF) of the MMDAs. The current composite budget however excludes funds earmarked by Development Partners (DPs) for their projects in the MMDAs. In effect, what really happens is the dis-aggregation of budget at the MDA level to the MMDAs. While MLGRD expects that composite budget would take root by 2010 and for which reason funds from the national level could be allocated directly to the MMDAs, MoFEP however counters this position and considers the phenomenon as a remote possibility. The MoFEP position is supported by the conviction that the MMDAs need to demonstrate a higher capacity to manage funds being received from the DACF and from the District Development Facility (DDF) coupled with the ability to generate additional funds internally.

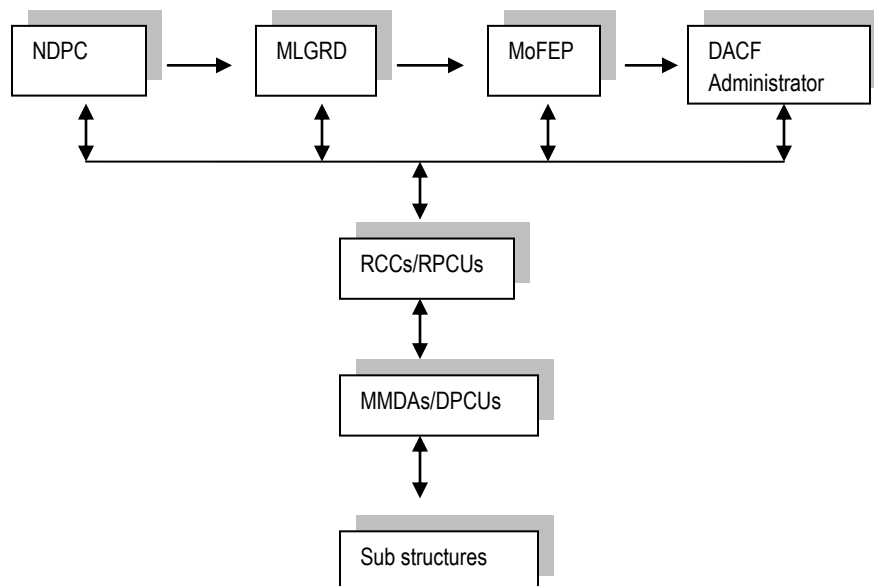
4 RESULTS OF THE STUDY

The chapter highlights the key outcomes of our interaction with stakeholders at the national, regional and district levels. As a preliminary, the role of all stakeholders in the planning and budgeting process has been assessed. Subsequently, a review of the current practice of planning, budgeting and accounting processes at the district, regional and national levels have been carried out. The chapter ends with an outline of a number of inconsistencies in the planning and budgeting process relating to timing, reporting, allocation and disbursement of funds which have been identified by the study.

4.1 Roles of Stakeholders

The analysis of the role of stakeholders in planning and budgeting at the national, regional and district levels revolved around the under listed stakeholders as illustrated in **Figure 5**.

Figure 5 Key Stakeholders in Planning and Budgeting



Source: Authors' own construct

4.1.1 Ministries of Local Government and Rural Development and Finance and Economic Planning

The Ministry of Local Government and Rural Development (MLGRD) sets the policy framework for the development of local communities and oversees the performance of Metropolitan, Municipal and District Assemblies (MMDAs). The ministry is responsible for the supervision and capacity building of all MMDAs. The ministry also shares with the Ministry of Finance and Economic Planning (MoFEP) the responsibility for determining the category of expenditure of the approved development budget of MMDAs that must in each year be met out of amounts received by the MMDAs from the District Assemblies Common Fund (District Assemblies Common Fund Act of 1993, Act 455, Section 9).

Two decades into the implementation of the decentralisation programme in Ghana, the implementation strategy and arrangements of the entire programme appear not to be clearly phased and adequately planned and constitutes an indictment on the role of MLGRD. This situation is further compounded by the non-availability of a sector plan for MLGRD. Interventions in decentralisation have largely been driven by Development Partners, a situation that questions government's commitment to the decentralisation process. It is therefore recommended that MLGRD should demonstrate leadership of the decentralisation process by preparing a plan for the sector and galvanising support from all stakeholders towards implementation of the plan.

MoFEP has the mandate to formulate and implement sound fiscal and financial policies. It is also responsible for the preparation and approval of the national revenue and expenditure budget and as a result, approves the budget for other sector Ministries, Departments and Agencies and issues Financial Encumbrances (FEs) to these organisations to cover their expenses. The commitment of MoFEP to decentralisation however still remains doubtful given the seemingly low priority MoFEP gives to district level issues in the national budget preparation process. The annual budget guidelines issued by MoFEP serve no purpose to MMDAs (refer to section 3.4.3 of this report). To date, MoFEP does not receive copies of district budgets, both recurrent and supplementary. The implication is that MoFEP is unable to track revenue and expenditure situation at the district level.

4.1.2 National Development Planning Commission

The National Development Planning Commission (NDPC) is mandated by Acts 479 and 480 to prepare the national development plan and it operates under the Office of the President. It is the main body responsible for broad policy formulation on which basis MDAs and MMDAs formulate their sectoral and district policies respectively. NDPC has, since its inauguration in 1994, prepared four national development plans and policy framework notably:

- Ghana Vision 2020: The First Step (1996-2000);
- Interim Ghana Poverty Reduction Strategy (IPRSP) (2001/2002);
- Growth and Poverty Reduction Strategy I (2003-2005); and
- Growth and Poverty Reduction Strategy II (2006-2009).

The commission is currently developing the National Medium Term Development Plan (2010-2013). A draft policy framework on the National Medium Term Development Plan has been prepared and is currently awaiting approval by Parliament.

There is lack of clarity on the roles of NDPC and MoFEP regarding economic planning. Both institutions have economic planning/policy divisions which appear to be performing the same functions. Moreover, while MoFEP has the mandate to formulate and implement sound fiscal and financial policies, Act 479 and sections 86 and 87 of the constitution also mandates NDPC to formulate comprehensive national development policies including macroeconomic policies and ensure that these policies are effectively implemented.

In addition, although NDPC is expected to co-ordinate the preparation and implementation of plans at the national, regional and district levels, the commission has virtually no control in the allocation

and disbursement of funds to MDAs and MMDAs by MoFEP and the Administrator of DACF. This would have enabled NDPC ensure that resource allocation is in tandem with sector plans and district medium term development plans. This situation critically undermines the coordinating capacity of NDPC and reduces the plan preparation process to a mere theoretical exercise.

4.1.3 Sector Ministries, Departments and Agencies

Within the framework of decentralised development planning in Ghana, Sector Ministries Departments and Agencies refers to institutions whose activities contribute towards a common objective that supports the achievement of the national development goals identified in the national development plan. Sector MDAs are required to prepare and submit their sector plans to NDPC. Accordingly, NDPC periodically issues guidelines for the preparation of sector plans. The objective is to align sector goals, priorities and activities with that of the national plans. However, in practice, the degree of conformity of sector MDAs to NDPC guidelines for preparing sector plans has been mixed. This has resulted in the existence of sector plans with varied objectives, targets and time-frames. While the plan preparation coordinating process rests with NDPC, responsibility for the approval of budget estimates rests with MoFEP.

Although NDPC participates in budget policy hearings, it has no control over the allocation of financial resources to sector MDAs. This situation limits the ability of NDPC to ensure that resource allocation is in tandem with national and sector plans. Besides, it is rather NDPC that has copies of the sector plans and not MoFEP. NDPC is also expected to play the lead role in coordinating the implementation of sector plans towards the attainment of goals and objectives in the national plan.

4.1.4 Administrator of the District Assemblies Common Fund

The District Assemblies Common Fund is a development grant intended to resource MMDAs to enable them plan and implement development programmes and projects in their respective areas of jurisdiction. DACF is an annual financial allocation of not less than five percent of total government revenue. It is a major source of development funding to MMDAs for the implementation of their DMTDPs and accounts for over 65% of funding to MMDAs. The DACF Administrator is responsible for administering and distributing proceeds of the fund. The Administrator is required to submit to Parliament for approval on a yearly basis, the formula for the distribution of the DACF. In conjunction with MLGRD, MoFEP and Cabinet, the Administrator annually prepares guidelines for utilisation of the DACF.

Although the DACF was intended to finance development expenditure, **MMDAs have limited discretionary authority over the use of funds from the DACF**. Central government determines sectoral priorities for spending although DAs have the option to shift resources within the approved sector. In addition, **a substantial proportion of the funding is increasingly being deducted at source to meet MMDAs commitment to nationally established interventions** (e.g. National Youth Employment Programme). A summary of allocation of funds from DACF is presented in **Table 3**.

Table 3 Summary of Allocations in DACF Guidelines

Allocations	2008	2009
Reserve fund	10%	15%
Human Capacity Building	1%	1%
NYEP	30%	35%
Self Help Projects	2%	-
District Education Fund	2%	-
Strengthening sub district structures	2%	-
District Response Initiative	0.5%	0.5%
Malaria Prevention	0.5%	0.5%
People with Disabilities	2%	2%
Sports and Culture	1%	1%
Total	51%	55%
Proportion for other projects	49%	45%

Source: Guidelines for the Utilisation of District Assemblies Common Fund, 2004-2009.

It is a fact that the majority of MMDAs rely on the DACF to finance capital projects and to implement their DMTDP. It would therefore have been expected that district budgets submitted to the Administrator of DACF would have been extracted from MTDPs and Annual Action Plans of MMDAs. In practice however, **the Administrator of DACF has not instituted a mechanism for verifying whether proposed projects are from the DMTDPs or Annual Action Plans, neither can the Administrator insist that MMDAs should select projects from their Annual Action Plans.** The DACF Administrator explained that it was the responsibility of the RCCs to ensure that MMDA annual supplementary budget estimates are linked to their Annual Action Plans. In practice however, RCCs could only advise MMDAs to link their supplementary budgets to their Annual Action Plans and could not reject the supplementary budget estimates of MMDAs. **The NDPC makes no input into the preparation of the guidelines for utilisation of funds from DACF and as a result has no control over the allocation of funds from DACF.**

The untimely disbursement of funds as well as huge backlog in allocations from the DACF have become a regular feature in the administration of the DACF. The delay in disbursement of funds from the DACF has been attributed to the following:

- Inadequate funds and too many competing demands on the resources of the state
- Delay in getting the formula for disbursement of DACF approved annually by Parliament e.g. the 2003 formula was approved in May
- The government's fiscal and monetary policy could also result in government deliberately withholding disbursement to control money supply
- Some MMDAs fail to submit supplementary budgets and reports on the use of previous allocations on time.

Monitoring of the use of DACF funds by the Administrator of DACF is weak. Although a proportion of the DACF (1.5% of the Reserve Fund) is allocated to the Administrator of DACF for

monitoring and evaluation on the use of the fund, the Administrator of DACF undertakes monitoring once in a year. The Administrator of DACF to a large extent relies on the monthly expenditure returns of MMDAs to establish compliance of MMDAs to its guidelines, a mechanism that does not adequately reflect the situation on the ground.

4.1.5 Regional Coordinating Councils

4.1.5.1 Functionality of RCCs/PCUs

Act 462 establishes the Regional Coordinating Councils in each region in Ghana. Acts 462 and 480 further instituted PCUs to advise RCCs on the coordination, monitoring and evaluation of district development plans and all other matters relating to development planning in the region, including spatial and sectoral policies. The PCU secretariat is staffed by the Regional Economic Planning Officer, Regional Budget Analyst and the Local Government Inspector. The secretariat is responsible for the day to day management of the PCU with the Regional Economic Planning Officer as the head.

The degree of functionality of the PCUs was mixed. All PCUs had the full membership as prescribed in the guidelines for operationalisation of PCUs. Although PCUs were required to hold monthly meetings, none of them had been able to even meet quarterly. All the PCU secretariats reported that the majority of heads of decentralised departments at the regional level were not attending PCU meetings, a challenge to effective team work and collaboration among the various departments at the regional level. The Greater Accra PCU was virtually redundant and had not had any meeting for the past four years. The bulk of the functions of the PCUs were being performed by the Regional Economic Planning Officers and Regional Budget Analysts.

The current staff strength of the PCU secretariat in all regions is adequate to enable the secretariat perform its functions. All PCUs had between three (3) and five (5) technical support staff at the unit. Although there is no regulation regarding the number of technical support staff required to complement the work of the three-member PCU secretariat, determination of the number of technical support staff has been a function of the number of districts and the complexity of development issues in any particular region.

All PCUs were equipped with basic office logistics such as computers and accessories to support administrative work at the secretariat. **The challenge was inadequacy of vehicles, decrepit vehicles and limited funding.** Only the Greater Accra PCU had two (2) fairly new pick up vehicles. The other PCUs had fairly old vehicles. The Northern Region and Upper East PCUs had 3 vehicles each out of which two were very old. The Central Region PCU had a mini bus which appeared unsuitable for monitoring activities considering the terrain of the region. All PCUs indicated that they had to compete for access to vehicles in the central pool of the RCCs for field monitoring. Given the size of the membership of the PCU, they relied on other decentralised departments for vehicles to undertake monitoring. Financial support to the PCU secretariat was inadequate. The Regional Economic Planning Officers on the average received about GH¢200 per quarter as FE to manage their offices. This amount is woefully inadequate to meet their

administrative expenses. RPCU secretariats in the three regions in Northern Ghana receive some financial support from the CIDA funded District Wide Assistance Project (DWAP)

4.1.5.2 Plan Preparation Support to MMDAs

In conjunction with NDPC, the RPCUs organise orientation on the guidelines for preparation of DMTDPs for core staff of all MMDAs. Subsequently, the RPCUs carried out follow up visits to all MMDAs to assist them with the preparation of their plans. Afterwards, the RCC vets the draft MTDPs submitted by MMDAs and forwards them to NDPC for further vetting. The RPCUs then meet staff of the DPCU secretariat to discuss the comments and issues raised by the RPCU and NDPC. The RPCU then receives the final copies of the DMTDP for submission to NDPC for approval.

A critical gap in the plan preparation process is the inability of the RPCUs to prepare and submit regional harmonised plans to NDPC on time. Following the preparation and approval of the DMTDP, the RPCUs are required to harmonise all the various DMTDPs into a regional plan for submission to NDPC. This document is expected to link the DMTDPs to the national plan. The preparation of the regional harmonised plan has been abysmal; besides, it is also doubtful whether NDPC needs the regional harmonised plans. As at the time of our field visit (August 2009), RPCUs in Eastern and Greater Accra regions were yet to prepare and submit their plans. All the other RPCUs prepared and submitted their plans in 2008, two years into the implementation of the GPRS II. The RPCUs attributed the delay in preparing the document to inadequate funding and delay in issuing guidelines on the plan preparation process by NDPC.

4.1.5.3 Plan Implementation Support

RCCs monitoring of MMDAs was weak. A proportion of the DACF (1.5% of the Reserve Fund from DACF) is allocated to all RCCs to be used for their statutory role of monitoring, coordination and evaluation. Regrettably, this financial support has not yielded the anticipated results. Disbursement of funds to RCCs has been intermittent. It was reported that actual funds disbursed to RCCs was lower than the estimates approved by the Administrator of DACF. In practice, the RCCs do not utilise the money for monitoring purposes. The funds were administered on the dictates of the Regional Ministers. This was because the DACF Administrator had not provided specific guidelines on how the money should be administered. Only two (2) RPCUs reported carrying out monitoring twice in a year. Others had to rely on MMDAs within their regions to provide accommodation and other support services to their monitoring teams. This situation had considerably weakened the monitoring, evaluation and coordinating role of the RPCUs.

The RCCs that had about 20 MMDAs in their areas of jurisdiction (Ashanti, Brong Ahafo, Northern and Eastern regions) found the requirement to conduct quarterly monitoring visits to MMDAs as unrealistic. They explained that given the issues to be monitored, the activities to be carried out in the monitoring process as well as the geographical location of MMDAs, it was virtually impossible to carry out the exercise more than twice in a year in all MMDAs. All RPCUs reported that it took them about three (3) months to conduct monitoring of all MMDAs in their respective regions. The monitoring process entails the following set of activities:

- Information to MMDAs
- Briefing session with DPCU
- Monitoring exercise
- Briefing session with MMDA/DPCU
- Monitoring report to be completed and circulated not later than one and a half months after the monitoring exercise

4.1.6 Metropolitan, Municipal and District Assemblies

4.1.6.1 Functionality of DPCUs

Acts 462 and 480 also recognise the **District Assembly** as the planning authority at the district level. Section 2 sub-section 1 of Act 480 spells out the planning functions of the District Assembly. Acts 462 and 480 also instituted DPCUs. District Assemblies are required to establish a secretariat for the DPCU. The DPCU secretariat is responsible for the day to day management of the RPCU with the District Planning Officer as the head. The DPCU secretariat is supposed to be staffed by a minimum core technical/professional staff as indicated in Table 3.

Table 3 Staffing Requirement

Metropolitan Assemblies	Municipal Assemblies	District Assemblies
1 Planning Officer 3 Asst. Planning Officers 1 Budget Officer 1 Asst. Budget Officer	1 Planning Officer 2 Asst. Planning Officers 1 Budget Officer;	1 Planning Officer 1 Asst. Planning Officer 1 Budget Officer

Source: Guidelines for Operationalisation of District and Regional Planning Coordinating Units, 2004.

All MMDAs visited had established DPCUs in line with the guidelines for operationalising RPCUs and DPCUs. The membership of the unit was varied across MMDAs. While some MMDAs had co-opted members from other decentralised departments into the unit (e.g. Accra, Cape Coast and Sekondi Takoradi Metropolitan, Mpohor Wassa East District), other District Assemblies had difficulty in the full composition of the membership as prescribed in the guidelines (e.g. Twifo Hemang Lower Denkyira, Assin South and Nadowli). In most instances, **the challenge was the non availability of Town Planning Officers**. This situation had affected inclusion of spatial planning issues into the district plan preparation and implementation process. The inadequacy of Town Planning Officers was reported in all regions of Ghana. Western Region for instance had only six (6) Town Planning Officers serving the regional office, the Metropolitan Assembly and 12 other DAs in the region. The Volta region had only three (3) Town planning officers out of which two (2) were stationed at the regional office. About 13 DAs in the regions were being served by Technical Officers.

All DPCUs were equipped with basic office logistics such as computers and accessories to support administrative work at the secretariat. **The challenge was inadequacy of vehicles and funding**. All DPCUs did not have vehicles designated for the unit. The study team was informed that previous attempts to provide vehicles for the unit had failed because such vehicles were reassigned for use either by Chief Executives or Coordinating Directors. As a result, the DPCUs have to

compete for access to vehicles in the central pool for field visits. Financial support to the DPCUs was inadequate. The Planning Officers and Budget Analysts lamented the difficulty in obtaining funding to purchase fuel for field work. Given the fact that the DPCU secretariats do not have a dedicated budgetary allocation and bank accounts for their activities, they have had to rely on the magnanimity of the central administration for funding of its activities, a situation that affects their ability to prepare plans and conduct regular monitoring visits.

Although all the MMDAs visited had DPCU secretariats in place, among the District Assemblies, **only Dangme West District had the minimum staff requirement as prescribed by the guidelines from NDPC and MLGRD.** Among the Municipal Assemblies, only New Juaben and Sunyani had the minimum staff requirement. Among the Metropolitan Assemblies, Tamale and Cape Coast were the only Assemblies that did not have the minimum required staff. The situation in Tamale was quite worrying. The substantive Planning Officer had been seconded to the Northern Poverty Reduction Programme (NORPREP) while one Assistant Planning Officer was on a course at the University for Development Studies. The Assistant Planning Officer currently at post had joined the Civil Service barely six (6) months ago.

All the Municipal and District Assemblies visited except Savelugu District Assembly had at least a Planning Officer and a Budget Officer at post. It was reported that the Budget Officer for Savelugu District Assembly had resigned from the Civil Service. Nadowli District Assembly had been without a Budget Officer for almost two years. The new Budget Officer had barely assumed office when the study team visited the Assembly. All the Municipal and District Assemblies visited except Dangme West, New Juaben and Sunyani did not have Assistant Planning Officers. MMDAs had over the years relied on national service personnel and volunteers to act in that capacity. This situation has implications on the efficiency and quality of work at the DPCU secretariat.

It was further revealed that **Planning and Budget Officers were assigned to MMDAs after recruitment without adequate orientation and training.** The Ministry of Local Government and Rural Development with support from the European Union had been providing some orientation and training to staff of the DPCU secretariat over the period 2001-2005. Upon completion of this programme, there hadn't been any structured orientation programme for newly recruited Planning and Budget Officers. In some instances, the Regional Economic Planning Officers and Regional Budget Analysts had taken the initiative to organise orientation programmes for the newly recruited officers.

Further to this is the issue of **frequent posting outside the district of staff of the DPCU secretariat.** The study team observed during the field visit that most officers in the DPCU secretariat were either due for posting outside the district or had barely assumed duty in the DAs. It was also reported that some MMDAs especially those in deprived communities had a rather high staff attrition rate, which results in loss of institutional memory. In an interaction with the Brong Ahafo RPCU, the experience of Pru District Assembly was mentioned. This has been captured in **Box I.**

**Box I: Effect of high staff turnover on Plan Preparation-Experience
on LG-PRSP Intervention in Pru District Assembly**

The Local Governance Poverty Reduction Support Programme of GTZ was assisting the Pru District Assembly in the preparation of its DMTDP (2006-2009) from November 2005. The assistance had to be terminated as a result of the transfer of key personnel especially within the DPCU. The staff changes resulted in unappreciable progress in the preparation of their DMTDP. LG-PRSP was therefore unable to continue with the planned support to the district. The DA continues to experience a rather high staff attrition rates. The DA to date, had five (5) coordinating directors, four (4) finance officers and five (5) planning officers since its establishment in 2004. The first Budget Officer assumed office in October 2009.

BOX I

4.1.7 Sub district Structures

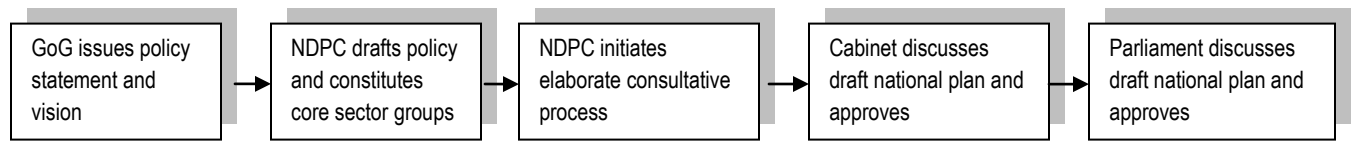
The sub district structure (sub metropolitan district/urban/area/town councils and unit committees) constitute the basic unit of Ghana's decentralised planning structure. In practice however, sub structures have barely fulfilled this mandate because the majority of them are not functional. The majority of sub structures that had prepared and implemented plans have done so with support from development partners especially the IDA financed Community Based Rural Development Project or to some extent the District Assemblies.

4.2 Plan Preparation Process

4.2.1 Preparation of National Plans

The current process of preparing a national development plan every four years is bureaucratic, cumbersome and costly. Experience in the preparation of four successive development plans since 1996 indicates that it took not less than one and a half years to prepare a national development plan. The process of preparing a national development plan starts with the issuance of a policy statement and vision by central government. This is mainly extracted from the State of the Nation Address to Parliament. Due consideration is also given to global targets and commitments that have implications on Ghana's development. Based on the government's policy statement, NDPC produces a draft policy document and constitutes core sector groups drawing expertise from all MDAs and MMDAs to review the proposals and develop appropriate strategies. Subsequently, NDPC initiates a consultative process at the national, regional and district level and across all sectors to obtain inputs into the drafting of the national development policy framework. The framework is discussed and approved by Cabinet and subsequently by Parliament.

Figure 4 Overview of National Plan Preparation Process



Source: Authors' own construct

By implication, **NDPC has minimal control over the process of preparing the national development plan.** Indeed, without a policy statement and vision by government, NDPC cannot initiate the process of preparing the plan. Even though the plan will also require approval by cabinet and parliament to become operational, the processes inherent are time consuming.

Unlike the process of preparing annual action plans and budgets by MDAs and MMDAs which are time bound, it appears **there is no timeline for the preparation of the national development plan.** The only activities in the plan preparation process which have a time limit is the constitutional requirement spelt out in Articles 34(2) and 36(5) and 67 which require the President to present a State of the Nation Address to Parliament (before the beginning and before resolution of Parliament) and to present a coordinated socio economic programme to Parliament within two years after assuming office.

Furthermore, the preparation of national development plans requires considerable resources to finance the plan preparation process. However, the officials of NDPC have not been able to provide an estimate of the cost involved in the preparation of GPRS I (2003-2005) and GPRS II (2006-2009). We were however informed that **government's financing of NDPC has been woefully inadequate**, a situation that raises doubts about the commitment of government to the successful preparation and implementation of national development plans. The NDPC had over the years, relied on funding from development partners in the preparation of national development plans. The disbursements of these funds have been untimely and have culminated in delays in the preparation of national plans. This situation also affects the preparation of guidelines for the preparation of sector and district medium term development plans.

4.2.2 Preparation of Sector Plans

Although all sector MDAs are enjoined under Act 480 to undertake development planning functions in consultation with NDPC and MoFEP, the degree of compliance to this provision is mixed. **Some MDAs to date are without sector development plans e.g. MLGRD, CAGD and MoFEP.** This is because NDPC does not have the mandate and requisite clout to ensure that MDAs comply with its guidelines.

Although sector development plans broadly conform to the policy direction and strategies in the national development plan and guidelines issued by NDPC, **most sector plans had varied planning horizons, targets and resource requirements.** This situation has culminated in the existence of several sector plans with different planning time frames, targets and resource

requirements. This situation also has implications for planning by decentralised departments of these MDAs. Some examples are outlined hereunder:

- Food and Agric Sector Development Plan (FASDEP)
- Five Year Health Sector Programme of Works (2007-2011)
- Education Sector Strategic Plan (2003-2015) now revised to (2010-2020)
- Strategic Investment Plan (2008-2012) of the Community Water and Sanitation Agency
- Road/Transport Sector Development Programme II
- National Strategic Framework for HIV and AIDS II (2006-2010)

These sector plans have also accounted for the multiplicity of plans at the district level.

Some sector MDAs, with or without support from NDPC have asked MMDAs to prepare district plans to elaborate issues relating to their respective sectors at the district level e.g. HIV and AIDS Plans, District Environmental and Sanitation Strategic Plans (DESSAP) and District Water and Sanitation Plans (DWSPs).

4.2.3 Preparation of Regional Harmonised Plan

Although Act 480 recognises the role of RCCs and RPCUs in Ghana's decentralised development planning process and system, RCCs and RPCUs are not planning authorities. In other words, RCCs do not prepare plans. Rather, RCCs are required to harmonise development policies, programmes and projects of all districts within their respective regions into a regional harmonised plan for submission to NDPC. The regional harmonised plan ideally is expected to feed into the preparation of the national development plan. In practice however, this is not so. Our interaction with RPCUs revealed that eight (8) of them submitted their regional harmonised plans to NDPC in the last quarter of 2008, three years into implementation of GPRS II (2006-2009). As at the time of our field visit (August 2009), RPCUs in Eastern and Greater Accra regions were yet to submit their regional harmonised plans to NDPC. This situation makes the plan harmonisation process an exercise in futility. The delay in preparing the regional harmonised plan was attributed to the inability of NDPC to issue guidelines for preparing the plan on time and the inadequate funding of RPCUs.

4.2.4 Preparation of District Medium Term Plans

District Assemblies prepare District Medium-Term Development Plans (DMTDP) and Annual Action Plans (AAPs). The process of preparing DMTDPs generally entails the following:

1. NDPC issues guidelines to all RCCs and MMDAs;
2. NDPC and RCC jointly organise orientation workshops on the guidelines for DPCU secretariat;
3. MMDAs constitute plan preparation team
4. Performance review of previous plan;
5. Data collection, collation and analysis with stakeholders including traditional authorities, communities, sub structures and decentralised departments;
6. First public hearings to present the current situation and ascertain development priorities
7. Drafting of DMTDP;
8. Second public hearings to review development proposals and strategies;

9. Submission of draft plan to RCC and NDPC for vetting;
10. Review of draft DMTDP based on comments from RCC and NDPC;
11. Approval of DMTDP by General Assembly; and
12. Submission of copies of approved DMTDP to RCC

The guidelines for preparing DMTDPs, ideally, should have been issued prior to the planning period. **In practice however, the release of the guidelines for preparing DMTDPs is always delayed.** For instance, the guidelines for preparing DMTDPs under the GPRS I (2003-2005) and GPRS II (2006-2009) were issued in 2003 and 2006 respectively. As at November 2009, NDPC had issued guidelines for only two activities in the process towards preparing DMTDPs (2010-2013). The reasons for the delay in releasing the guidelines have been explained in an earlier section of this report (rf. Section 4.3.1).

Box II: Release of Guidelines by NDPC	
The guidelines for the preparation of district medium term development plans are always delayed. The guidelines for preparing the 2003-2005 DMTDPs were released in the second quarter of 2003. The draft plans were prepared and submitted to NDPC for review by the end of 2003. The DAs finally approved the plans in the second quarter of 2004, one and half years into the implementation of the plan. The experience with the preparation of the 2006-2009 DMTDPs was similar to that of 2003-2005. The guidelines were received by DAs in 2006 and finally approved in the second quarter of 2007.	BOX II

As a result of the delay in issuing guidelines to MMDAs, the planning process is always hurriedly carried out which does not guarantee the quality of plans prepared by MMDAs. Some MMDAs reported that they had to reduce the number of consultations with sub structures and other stakeholders since they had barely three months to prepare their DMTDPs for submission to RCC and NDPC for vetting.

Box III: DMTDP Preparation- Experience in Cape Coast Metropolitan	
We received the guidelines for preparing our DMTPD in May 2006 and the plan implementation period was 2006 to 2009. We were asked by NDPC and RCC to prepare and submit the draft plan in July 2006 (two months). Consequently, instead of the minimum requirement of at least two public hearings, we had one public hearing in all the seven (7) urban councils and produced our MTDP. We finished preparing the plan in the last quarter of 2007.	BOX III

There was a similar situation in the Hohoe Municipal Assembly where there were no public hearings at the sub structure levels due to lack of funds for the activity. This indicates the low prioritisation of public hearings by some MMDAs and non compliance with NDPC guidelines for the preparation of the DMTDPs.

Moreover, almost a year of the plan implementation period is lost due to the delay in releasing the guidelines. In all MMDAs visited, they reported that the first year of plan implementation under both GPRS I and II was lost because the plans were approved in the second quarter of the second year of the plan implementation period as captured in Box II. Consequently, projects and programmes for the first year were rolled over into the second and subsequent years in the plan implementation period which has implications on alignment, harmonisation and effective implementation of DMTDPs.

Box IV: DMTDP Preparation- Experience in Mpohor Wassa East	
<p>We received the guidelines for preparing our DMTDP in May 2006 and the plan implementation period was 2006 to 2009. We were asked by NDPC and RCC to prepare and submit the draft plan in July 2006 (two months). We were however determined to go through the due process so we rather submitted our draft DMTDP to RCC in November 2006 and had our first public hearing sessions in December 2006. Based on the hearings and other desk work, we reviewed the draft plan and submitted an updated copy to RCC in the first quarter of 2007. We received comments from NDPC and RCC in the second quarter of 2007 and submitted the final copy by the third quarter of 2007. Under the circumstances, we rolled over programmes/projects for 2006 annual plan into 2007 and 2008 annual plans for implementation.</p>	BOX IV

MMDAs assessed the guidelines for preparing DMTDPs and capital budgets (supplementary budgets) to be linked. They were of the opinion that although about 50% of allocations in the supplementary budget were pre determined, the resources are expected to be allocated to areas that are in tandem with the thematic areas in the DMTDP. The challenge was rather with the huge arrears and deductions from the DACF at the national level. This situation had always thrown the implementation of DMTDPs and AAPs out of gear at the MMDA level.

The study team observed in preparing the DMTDPs, the majority of MMDAs did not give due consideration to assessing the financial resource potential of their respective MMDAs. As a result, the budget for programmes and projects in the DMTDPs far exceeded the financial resources of MMDAs. Under these circumstances, all the MMDAs visited were only able to implement barely 50% of planned programmes and projects in their DMTDPs (2006-2009).

4.2.5 Preparation of District Annual Action Plans

The guideline for operationalising RPCUs and DPCUs defines the timelines and activities for the annual planning cycle including corresponding outputs and actors as captured in **Table 4** overleaf.

Table 4 Annual Planning Cycle

Timelines	Activity	Actors
July	Mid year reviews	DPCU and sector dep'ts.
July	Preparation and approval of fee fixing rates	Budget Committee
July	Preparation of revenue estimates	DPCU
July	DCD issues circulars to sector dep'ts. and sub structures to prepare annual action plans	DCD, DPO and DBO
Aug	Preparation of plans by sector dep'ts and sub districts	Sector dep't and sub district councils
Sept	Harmonisation and consolidation of plan and budget by DPCU for EC's consideration	DPCU and sector dep'ts.
Oct	Review draft action plans and budget based on EC comments	DPCU and sector dep'ts.
Oct	Approval of plan and budget by General Assembly	Assembly members
All year round	Plan and budget implementation and coordination	DPCU and sector dep'ts.
All year round	Monitoring of plan and budget implementation	DPCU and sector dep'ts.
Quarterly	Reporting on implementation	DPCU and sector dep'ts.

Source: Guidelines for Operationalisation of District and Regional Planning Coordinating Units, 2004.

Our interaction with regional and district officials revealed that in practice, these processes and timelines were never complied with. This was attributed to weak supervision of MMDAs by RCCs. This clearly does not allow for effective alignment and coordination of the planning and budgeting process. For instance, only the New Juaben Municipal and Dangme West District Assemblies reported that they carried out mid-year review of their AAPs. Annual Action Plans were prepared without recourse to inputs from decentralised departments and sub district structures. The majority of decentralised departments in the MMDAs were not submitting their annual action plans to the DPCU secretariat because they were of the opinion that those plans will not be implemented. Although it is a requirement that the annual budget estimates and AAPs should be jointly discussed and approved by the Executive Committee and the General Assembly, in practice, only the budget estimates (recurrent) were discussed and approved. In addition, although MMDAs were required to submit their AAPs by end of October to the RCC, they often submitted them by the end of the first or second quarter of the following year together with their supplementary (DACF) budgets.

It was also established that AAPs of MMDAs were not linked to their DMTDPs. This was because MMDAs rarely referred to the DMTDP to select programmes and projects for implementation in their AAPs. This situation was attributed to the following:

- several on-going projects which had to be completed before new programmes and projects in the DMTDP could be started
- untimely disbursement and huge deductions from DACF
- the influence of Chief Executives in the selection of projects for implementation
- inadequate skills in the selection of programmes and projects for inclusion in AAPs

- emerging developmental challenges which were not envisaged while preparing the DMTDP; and
- the excessive influence by political leadership of MMDAs.

It was further revealed that **the AAPs of MMDAs were not linked to their budgets**. This was because MMDAs prepared and submitted their AAPs to the RCC (ideally by end of October) before receiving indication on funds allocated to the MMDA from DACF in the first quarter of the ensuing year. As a result, AAPs are prepared by MMDAs without resource to financial resources at their disposal. Given the fact that about 50% of funds from DACF is already pre-determined and mandatory, MMDAs have discretionary authority over barely half of the resources expected to be received from DACF.

It was also reported that **resource utilisation by MMDAs was not linked to their AAPs and DMTDPs**. This was because MMDAs had to contend with huge deductions and delay in disbursement of funds from DACF. Some of the deductions were as high as 70% of the approved allocation. All MMDAs visited reported that there were distortions between their AAPs and expenditure returns. **The overhang of outstanding payments mentioned above undermined the implementation of existing and future projects and reduced the flexibility to respond to local priorities in the AAPs and DMTDPs**. All MMDAs visited acknowledged that with the introduction of the annual performance assessment using the Functional and Organisational Assessment Tool, the political leadership of MMDAs are increasingly recognising the need to allocate financial resources according to their DMTDPs and AAPs. It was however too early to establish this assertion since the annual performance assessment had been carried out only once prior to the study team's visit to the MMDAs.

4.3 Plan Implementation Process/Budgeting

The implementation of plans at the national, regional and district level kick-starts with the preparation of budgets and disbursement of funds for work either to be carried out or already carried out. The budget process at the national (sector MDAs) and regional (RCCs) levels adopt the same process as indicated in *Section 3.4.3* (ref. pg. 12) of this report.

4.3.1 Analysis of Budget Preparation Process

The study revealed that Ghana's four (4)-item MTEF budget format was being utilised at the national and regional levels while MMDA budgets were in the line item format. The four (4)-item MTEF budget classification is a hybrid one that adopts line item budgeting for personnel emoluments and administrative expenses and activity based budgeting for services and investment expenditure. The four (4) items under the MTEF format are:

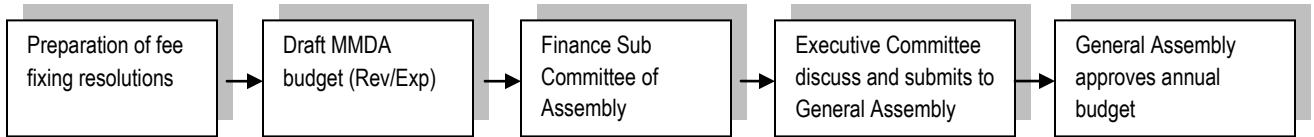
- Item 1 – Personnel Emoluments
- Item 2- Administrative expenses
- Item 3 Service expenses; and
- Item 4- Investment.

All MMDAs visited were yet to switch to the use of the MTEF format for budget preparation. Although all MMDAs visited acknowledged receiving training in the use of the MTEF format, they indicated that they were yet to receive guidelines from MLGRD or MoFEP to switch to using the MTEF format in budget preparation. The MMDA budgets were in the six (6)-line item incremental framework, a situation that clearly does not allow for aligning and harmonising budgets at the district, regional and national levels. All MMDAs visited had a relatively simple structure for their budgets, which is in consonance with their main current role as implementer of projects. However, there was relatively limited guidance on setting budgetary parameters. There are currently no specific budget guidelines relevant to MMDAs and no common budget structure/classification.

The study also revealed that following the adoption of the MTEF format in budget preparation, an MTEF manual was developed and published in 1999. The manual had detailed instructions on how MDAs are to carve out their objectives, outputs, activities, and costing. However, after almost a decade, very few copies of the manual are currently available as a reference document on the use of the MTEF format. Indeed, in MoFEP, only one (1) Budget Officer out of a total of fifty (50) officers owns a copy of the manual. It is therefore recommended that MoFEP reviews and prints the manual for distribution to all MDAs and MMDAs.

It is also significant to note that while a single budget document is prepared at the national and regional level (sector MDAs and RCCs), two separate budget documents are prepared at the district level by MMDAs – revenue and expenditure budget (IGF budget) and supplementary budget. The supplementary budget is prepared as a prerequisite for accessing funds from the DACF and was based on guidelines issued by the DACF Administrator. Although the budgeting processes at the national and regional levels are clearly documented with deadlines at each stage, the situation at the district level was mixed due to weak supervision of the budget process by RCCs. The MMDA budgets were often not prepared and submitted on time. The MMDA budget process is not formalised (e.g. following a documented calendar). MMDAs' Annual Estimates (with a provisional amount for central government transfers) were often approved by the General Assembly well into the fiscal year. The RCCs indicated that some MMDAs submitted their annual budgets in the second quarter of the ensuing year. **IGF budgets were largely incremental, and, in practice, there was a tenuous link between MTDPs, Annual Action Plans and capital expenditures.** All MMDAs visited had adopted varied processes in preparing their annual budgets. However, the following critical activities (captured in **Figure 6**) were mentioned across all MMDAs although the time these activities were carried was varied across all MMDAs.

Figure 6 Approval process of MMDAs budget



Source: Authors' own construct

Unlike the situation with the annual revenue and expenditure budgets by MMDAs, the preparation of supplementary budgets by MMDAs was timely. This was because access to DACF funds was contingent upon the timely preparation and submission of the supplementary budgets. This means that, until MMDAs begin to appreciate how critical their budgets inform resource allocation and distribution at the national and regional levels, they will continue to pay lip service to this all important exercise. Furthermore, the requirement to pass a supplementary budget each year (following the approval of the Annual Estimates) does not meet good public financial management (PFM) principles.

The study further established that the MDAs budget volume which contains details of the estimates were too bulky and not reader friendly. This was due to the current activity based MTEF budgeting system that was introduced in 1998 and its associated business process in budget execution. The business process require MDAs to show all cost centres, all items, sub-items and all sub-sub-items as well as the objectives, outputs and activities in the budget volumes. In addition, only two (2) MMDAs (Ho and New Juaben Municipal Assemblies) admitted having received copies of the budget volumes for 2009. Ready access to the budget volumes would enable MMDAs and their respective decentralised departments determine the quantum of resources allocated to the sector MDAs headquarters, regional offices and decentralised departments.

Following a review of experiences from other African countries in the preparation of budget volumes, the study team observed that the situation in the Republic of South Africa and Mauritius was comparatively more efficient and worth adopting. Both countries were implementing a programme approach to budgeting and for that reason had relatively smaller budget volumes. The experience from South Africa and Mauritius is documented in **Box V** below. The study team was also informed that in 2003 and 2004, the Ghana Education Service printed internal budget books which were less voluminous and more reader friendly. It is therefore recommended that such best practices should be reviewed and adopted by all sector MDAs.

Box V: Preparation of Budget Volumes- Experience from South Africa and Mauritius in comparison to Ghana	
<p>The Republic of South Africa and Mauritius currently prepare programme budgets. As a result, their budgets indicate only programmes and sub-programmes and their corresponding budgetary allocations. Ghana’s MTEF format however is an activity based format which is based on the business process of the budget execution. Accordingly, the budget indicates all the outputs, activities and inputs similar to the format used in the preparation of the Chart of Accounts details in the budget volumes. For example, the budget for the Ministry of Food and Agriculture in Ghana shows all the cost details of the Headquarters, Technical Directorates as well as the Regional and the 170 District offices by items, sub-items and the sub-sub-items in the MOFA volume. This obviously makes the budget volumes a very voluminous document.</p>	BOX V

An analysis of the budget preparation process also revealed that in allocating budget ceilings to MDAs that have district presence, sharing of the ceilings between the headquarters cost centres and the decentralised departments were always skewed towards the headquarters. The bulk of the budget was allocated to the national headquarters while the district level, where actual implementation of government policies and programmes took place, received a relatively small proportion of funds.

4.3.2 Analysis of Budget Preparation Methodologies

The study revealed lack of consistency in the budget preparation methodologies of MDAs and MMDAs. The sector MDAs have since 1999 been preparing budgets in MTEF employing the Activate software. On the other hand, the MMDAs continued to prepare budgets based on the line-item format which was incremental in nature. The implication is that district budgets could clearly not be linked to regional and national budgets.

The Activate software at the moment utilises two different Charts of Accounts (CoA) which are the 15-digit CoA and the 47-digit CoA. According to the Controller and Accountant General (CAGD) Chief Cashier’s office and that of the Final Accounts, the ACCPAC accounting software used in the preparation of the final accounts uses the 15-digit CoA while the Oracle Financials now known as GIFMIS uses the harmonised 47-digit CoA.

The MMDAs on the other hand, prepare budgets based on the 6-item line budget as against the 4-item in MTEF. However in reporting to the CAGD, the trial balance is based on the 15-digit CoA. Another parallel trial balance based on the 47-digit is also sent as a result of the parallel test run of the BEPMS (GIFMIS) and the legacy systems.

4.3.3 MMDAs and Composite Budgeting Requirements

The study team concluded through interactions with MMDA officials that MMDAs were ready to adopt the composite budget process. The following were established as pointers to the readiness of MMDAs to adopt composite budgeting:

- All the members of the DPCU have had at least two rounds of training in the MTEF methodology
- A harmonised Chart of Accounts that incorporates all the concerns of the MMDAs has been prepared and adopted
- Training on the harmonised chart of accounts and the new reporting system is expected to take place soon
- Treasury re-alignment which among other things ensures that payments to all decentralised departments go through one treasury which is the district treasury has been established.

The successful adoption of composite budgeting is however contingent upon the implementation of other key measures to support the integration of budgets and staff of decentralised departments into the district assembly structure or system.

4.3.4 The impact of the CAGD led treasury re-alignment process on MMDA budget preparation

With the treasury re-alignment, each district has one treasury through which all their payments are to be effected. To ensure compliance with this, MoFEP in the budget guidelines, requests all MDAs with district offices to categorise their budgets down to all districts where they have offices. Whilst the intention is considered a good idea, the officials at the national (headquarters) level of the MDAs keep a large proportion of the approved budget leaving a small percentage to the districts as shown in **Table 6** and **Table 7** hereunder.

Table 6: 2009 Budget for Dept of Births & Deaths in GH ¢

Cost Cent	Admin	%	Service	%	Invest	%
HQ	35,219	61.57	141,423	100	93,933	100
All Dists	21,979	38.43	0	0	0	0
Total	57,198	100	141,423	100	93,933	100

Table 7.2009 Budget for Dept of Community Development in GH ¢

Cost Cent	Admin	%	Service	%	Invest	%
HQ	23,932	52.74	71,955	93.98	122,599	100
All Dists	21,445	47.26	4,607	6.02	0	0
Total	45,377	100	76,562	100	122,599	100

From the data presented in Table 6 and Table 7, the Department of Births and Deaths allocated only 38.43% of administrative expense, 0% for service expenses and 0% for investments to their 170 districts offices. The situation in the Department of Community Development was slightly better but still skewed resource allocation in favour of the national headquarters.

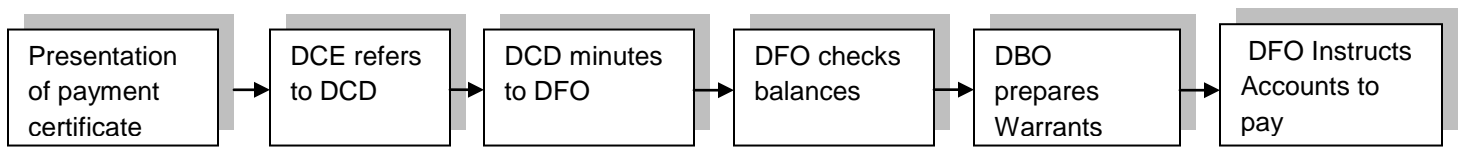
In spite of the budgetary allocations, actual transfer of funds hardly reaches the district offices. The office of the Chief Cashier at CAGD attributed this situation to wrong coding of districts on its budgetary allocation transfer software. In the Twifo Heman Lower Denkyira District, the Departments of Social Welfare and Community Development and the Department of Cooperatives had not received any transfers for administrative expenses for the year 2009 as at the time the study team visited the district (August 2009). Where transferred funds were received, the amounts were woefully inadequate. In the Mpohor Wassa East District, the Department of Community Development had received only GH¢ 6 since January 2009.

The study revealed that the Ghana Education Service, the Ghana Health Service and the Ministry of Food and Agriculture were the only institutions that received regular transfers from CAGD. Given the regular transfers to these institutions, it was not surprising that their officials at the national and regional levels and in almost all the districts expressed satisfaction with the system where sector budget ceilings issued by MoFEP are then shared to the district offices as against the issuance of district budget ceilings by MoFEP. Officials of all other decentralised departments were of the opinion that MoFEP should issue district budget ceilings instead of sector ceilings as it prevails now.

4.4 Funds Disbursements for IGF, DACF and DP funds

The study established that payment procedures for IGF, DACF and DP funds were not uniform. In the case of DACF, the following procedure was being used in all MMDAs visited by the study team as shown in **Figure 7**.

Figure 7 Payment procedure for DACF/DP funds Utilisation



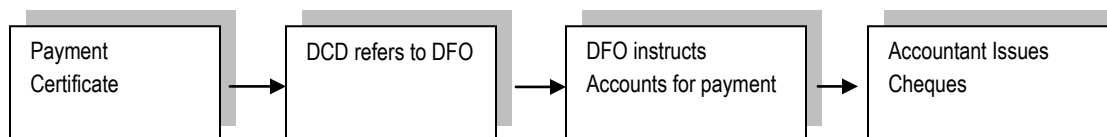
Source: Authors' own construct

Upon the presentation of the payment certificate, the DCE refers it to the DCD for processing. The DCD who is the spending officer minutes it to the DFO who checks the availability of cash before forwarding the certificate to the DBO. Upon receipt, the DBO checks whether the expenditure had been budgeted. If budget provision was made for the activity, the DBO prepares the payment warrants. Based on the payment warrant, the DFO instructs the Accounts officers to write the cheques. These payments procedures are clearly documented and based on requirements from the DACF Administrator.

In the case of Internally Generated Funds (IGF), the situation was mixed. In all but two (2) MMDAs visited, the Budget Officers did not have any role in the disbursement of funds from IGF since all transactions were being handled exclusively by the M/DCEs, the Coordinating Directors and

Finance Officers. It was only in the Kumasi Metropolitan and Accra Metropolitan Assemblies that warrants were prepared by Budget Officers for payments from the IGF. This situation does not allow effective control of expenditure within budgetary estimates among MMDAs. The situation was further compounded by the non-availability of guidelines on the utilisation of funds from IGF sources. The fund disbursement process for IGF is illustrated in **Figure 8**.

Figure 9 IGF Payment Process



Source: Authors' own construct

All MMDAs reported that they could not track funds transferred to NGOs or other decentralised departments by DPs. However, they kept accounts of all funds received from DPs for interventions at the district level. MMDA officials further indicated that in most instances, DPs required MMDAs to open separate accounts for DP interventions at the district level as they did not want their funds to be co-mingled with other MMDAs funds. This situation makes it difficult to track revenue and expenditure inflows and outflows at the district level and their integration into the regional and national financial management streams.

4.5 Reporting System

The reporting system within Ghana's decentralised planning and budgeting system is complex and incoherent especially at the district level. Besides, the submission of reports had been reduced to a mere academic exercise because no action was being taken on reports prepared and submitted. At the **national level**, although MDAs are required to furnish NDPC with annual progress reports on implementation of their sector plans, most MDAs do not comply with this requirement. At the **regional level**, although the RPCU secretariats are required to prepare and submit quarterly monitoring reports and regional harmonised reports with inputs from sector departments and DPCUs, this was never done. The challenge is that the sector departments often do not submit progress reports to the RPCU secretariats as required even though the sector departments prepare and submit these reports to their respective sector MDAs.

At the **district level**, while MMDAs are required to prepare and furnish RCCs with monthly, quarterly, mid-year and annual reports, decentralised departments at the MMDA level also prepare and submit separate reports to their regional and national offices. Although it is expected that decentralised departments will furnish MMDAs with quarterly and annual progress reports on their activities to enable MMDAs prepare mid-year and annual composite progress reports, in practice, this is not the case. This is because decentralised departments owe allegiance to their sector MDAs and are not under any obligation to prepare and submit reports to MMDAs. Besides, the decentralised departments virtually operate independent of the MMDAs. Where decentralised departments have prepared and submitted reports, the format and content of the reports makes it

difficult for the DPCU secretariat to integrate those reports into their composite progress reports. The study also revealed that MMDAs were required to prepare and submit quarterly and annual reports on selected DP funded projects. The frequency, format and submission details varied from one DP to the other. Highlights from reports on DP funded interventions are however captured in the mid-year and annual progress reports submitted to RCC.

The study further established that **the format and frequency of reporting especially by MMDAs were varied and often not clear**. It was also observed that MMDAs often expected RCCs to request the reports before they are prepared and submitted by MMDAs. **Table 5** catalogues the reporting requirements for planning at the national, regional and district levels.

Table 5 Reporting Requirements for Planning at the National, Regional and District Levels

Reports	Frequency	Recipient/Action
National level		
MDAs	Annual	NDPC/MoFEP
Regional level		
Minutes of RPCU meetings	Monthly	Undefined
Monitoring reports	Quarterly	NDPC
Sector department reports	Quarterly	RCC/RPCU
Regional harmonised report	Quarterly	RCC/NDPC/MLGRD
District level		
Minutes of DPCU meetings	Quarterly	Undefined
Minutes/Report on composite review meetings on plan implementation	Quarterly	Undefined
Progress reports from decentralised departments	Quarterly	Undefined
Monitoring reports	Quarterly	Executive Committee
Progress reports on projects	Quarterly	Executive Committee/RCC
Mid-year composite progress reports	Mid-year	Executive Committee/RCC
Annual composite progress reports	Annual	Executive Committee/RCC
Sub district level		
Monthly reports	Monthly	DPCU

Source: Guidelines for Operationalisation of RPCUs and DPCUs, 2004.

4.6 Access to Budget Information on Decentralised Departments

It was observed that all MMDAs found it difficult obtaining budget information from decentralised departments. For example, according to the Ho Municipal Assembly, it was only in 2006 when MoFEP carried out a “road show” and provided the Municipal Assembly with a comprehensive report indicating budget volumes that have been allocated to the various decentralised departments. This information is critical to enable MMDAs adequately scrutinise requests from decentralised departments for financial support to carry out programmes for which they may have received funding from central government through their respective sector MDAs. All MMDAs

admitted providing financial assistance to decentralised departments to carry out some interventions for which the latter may have received funding from central government.

4.7 Accounting Software

One significant observation during the study was the very low use of Accounting Software in the MMDAs. AMA and Tamale Metropolitan use SUN accounting software with the support of the UESP project. DATAFLOW is also in use in KMA and Twifo Heman Lower Denkyira whilst SmartCook is also being used in the Mphohor Wassa East District Assembly. According to the MFO for the Ho Municipal Assembly, the Assembly purchased DATAFLOW software sometime back but is not using it because adequate training was not provided to enable the staff customise it to suit their needs. The newly recruited Budget Officers who had been at post since April 2009 had as at August 2009, not had any training in budgeting.

4.8 Monitoring and Evaluation

NDPC is responsible for monitoring the implementation of national, sectoral, regional and district level plans. The approach by NDPC over the years has been to issue guidelines and format for monitoring and receiving monitoring reports. In addition, NDPC has established a database called Ghana Info. The database is reviewed based on reports and inputs received from sectors and MMDAs. The challenge with monitoring at the national, regional and district level is the delay in the preparation and submission of monitoring reports. In addition, inadequate financial support and logistics for RPCUs and DPCUs (discussed under section 4.1.5 and 4.1.6) remains a challenge for effective monitoring and evaluation.

In 2006, NDPC prepared and issued guidelines for the preparation of district monitoring and evaluation plans. The guidelines were to be used as a basis for preparing district monitoring and evaluation plans for the implementation of district plans under the GPRS II. We assessed the guidelines to be very comprehensive. However, our interaction with all MMDAs indicated that the monitoring and evaluation plans were completed in 2008, almost two years into the implementation of GPRS II. None of the MMDAs visited had implemented even 5% of the activities in their monitoring and evaluation plans, a situation that questions the rationale for preparing the plans. It is therefore recommended that NDPC should integrate the preparation of the monitoring and evaluation plans into the guidelines for preparing the DMTDPs.

5 CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

The study findings have established that as currently implemented there is a great deal of inconsistency between the objectives of GoG's decentralisation programme and the framework for planning and budgeting at the national, regional and district levels. Specifically, the study led to the following conclusions:

Plan Preparation and Implementation Process

- The current process of preparing a national development plan every four years is bureaucratic, cumbersome and costly and affected the timely preparation and issuance of guidelines by NDPC for the preparation of sector plans and DMTDPs. In addition, the process of national plans currently has no defined timelines. Government financing of the plan preparation process is also low.
- A critical gap in the plan preparation process is the inability of the RPCUs to prepare and submit regional harmonised plans to NDPC on time. This situation clearly is a gap towards aligning and harmonising the plans at the district level with the national level. This was attributed to inadequate funding and delay in issuing guidelines on the plan preparation process by NDPC to RPCUs.
- Although sector development plans broadly conform to the policy direction and strategies in the national development plan and guidelines issued by NDPC, most sector plans had varied planning horizons, targets and resource requirements. These sector plans have also accounted for the multiplicity of plans at the district level. It was also reported that some sector MDAs still do not have sector plans.
- The delay in the preparation and issuance of guidelines for preparing DMTDPs had affected the quality of plans prepared by MMDAs, timing of the plan preparation process and implementation of planned activities. Furthermore, most MMDAs did not comply with the guidelines for preparing their AAPs. This was attributed to weak supervision of MMDAs by RCCs. This clearly does not allow for effective alignment and coordination of the planning and budgeting process.
- It was also established that AAPs of MMDAs were not linked to their DMTDPs. This was because MMDAs rarely referred to the DMTDP to select programmes and projects for implementation in their AAPs. This situation was attributed to several on-going projects which had to be completed before new programmes and projects in the DMTDP could be started; the untimely disbursement and huge deductions from DACF and the influence of Chief Executives in the selection of projects for implementation

- The AAPs of MMDAs were not linked to their budgets. Resource utilisation by MMDAs was not linked to their AAPs. This was because MMDAs prepared and submitted their AAPs to the RCC (ideally by end of October) before receiving indication on funds allocated to the MMDA from DACF in the first quarter of the ensuing year. As a result, AAPs were prepared by MMDAs without resource to financial resources at their disposal. In addition, the huge deductions from the DACF distorted the link between their AAPs and expenditure returns.

Budget Preparation and Implementation Process

- Although the four (4)-item MTEF budget format was being utilised at the national and regional levels, MMDA budgets were in the line item format. All MMDAs visited were yet to switch to the use of the MTEF format for budget preparation. Although all MMDAs visited acknowledged receiving training in the use of the MTEF format, they were yet to receive guidelines from MLGRD or MoFEP to switch to using the MTEF format in budget preparation, a situation that demonstrated inconsistency in budget preparation methodologies and did not allow for aligning and harmonising budgets at the district level with that of the regional and national levels.
- It was also established that although the budgeting processes at the national and regional levels are clearly documented with deadlines at each stage, the situation at the district level was mixed due to weak supervision of the budget process by RCCs. The MMDA budgets were often not prepared and submitted on time.
- The MDAs budget volume which contains details of the estimates were too bulky and not reader friendly. This was due to the current activity based MTEF budgeting system that was introduced in 1998 and its associated business process in budget execution. The business process require MDAs to show all cost centres, all items, sub-items and all sub-sub-items as well as the objectives, outputs and activities in the budget volumes.
- In allocating budget ceilings to MDAs that have district presence, sharing of the ceilings between the headquarters cost centres and the decentralised departments were always skewed towards the headquarters. The bulk of the budget was allocated to the national headquarters while the district level, where actual implementation of government policies and programmes took place, received a relatively small proportion of funds.
- The study team concluded that MMDAs were ready to adopt the composite budget process. This was however contingent upon the implementation of other key measures to support the integration of budgets and staff of decentralised departments into the district assembly structure or system.
- The study further established varied process in the disbursement of funds for DACF, IGF and DP funds. In the case of IGF, the situation did not allow effective control of expenditure within budgetary estimates among MMDAs. The situation was further compounded by the non-availability of guidelines on the utilisation of funds from IGF sources. Tracking of funds

disbursed to other decentralised departments and NGOs was weak. It was also reported that some DPs required MMDAs to open separate accounts for their interventions. This situation did not allow for effective tracking on fund flow at the district level.

Policy Issues

- The planning and budgeting cycles at the district and regional/national levels were not linked. The procedures and timelines did not in any way establish a framework for integrating the district level annual planning and budgeting process into the national and regional level processes. The district recurrent budget is prepared and approved by the end of **October**, at a time when the national budget is being presented to Parliament for approval. Parliament debates the budget and enacts Appropriation Bill in **December/January**. Obviously, the timing of the process does not allow district budgets to be aligned and harmonised with the national budget. The district supplementary budget is also prepared and submitted to the DACF Administrator in **June**. This was because guidelines for preparing supplementary budgets are issued by the DACF Administrator in **April/May of the ensuing year**.
- The non-existence of clear and explicit guidelines from NDPC on the preparation of annual action plans or work programmes by sector MDAs and RCCs has resulted in the adoption of varied processes in preparing the annual action plans or work programmes by sector MDAs and RCCs. It has always been assumed that MDAs and RCCs would adopt the national budget preparation process in preparing their action plans and budgets respectively.

Legal Issues

- There was lack of clarity on the nature, content and the approval authority for MMDA budgets as prescribed by the Local Government Act of 1993 (Act 462).
- The coordinating role of RCCs over MMDAs is unclear given their seemingly contradictory roles assigned under Act 462 and Act 480.

Institutional Issues

- The implementation strategy and arrangements of Ghana's decentralisation programme appears not to be clearly phased and adequately planned by MLGRD. This situation is further compounded by the non-availability of a sector plan for MLGRD.
- The commitment of MoFEP to decentralisation process was in doubt given the seemingly low priority MoFEP gives to district level issues in the national budget preparation process. The annual budget guidelines issued by MoFEP currently serve no purpose to MMDAs

- There was lack of clarity on the roles of NDPC and MoFEP regarding economic planning. Both institutions have economic planning/policy divisions which appear to be performing the same functions.
- Although NDPC was responsible for coordinating the implementation of national, sector and district plans, the Commission has virtually no control in the allocation and disbursement of funds to MDAs and MMDAs by MoFEP and the Administrator of DACF. The effect has been the weak link between plans and budgets especially at the district level.
- The untimely disbursement of funds as well as huge backlog in allocations from the DACF has become a regular feature in the administration of the DACF. This situation has affected the preparation and implementation of district plans. Besides, monitoring of the use of DACF funds by the Administrator of DACF is weak.
- RCCs monitoring and coordinating role is weak due to challenges with inadequate funding, low commitment of members of the unit and inadequate and decrepit vehicles;
- The functionality of DPCUs was mixed given the inadequate number of town planning officers especially at the District Assemblies. This had affected inclusion of spatial planning issues into the district plan preparation and implementation process. Although all the DPCUs had basic office equipment, they did not have vehicles designated for the unit. In addition, financial support to the DPCU secretariat was low.

5.2 Recommendations

Preparation of a National Long Term Development Plan

A major challenge with development planning at the MDA and MMDA level is the delay in preparing and issuing guidelines for preparation of sector and medium term development plans by NDPC. This situation has been attributed to inadequate funding, inability of government to issue major policy statements on time (especially with a change in government) and the need to carry out an elaborate national consultative process in developing and approving the guidelines.

To address these weaknesses, we recommend that NDPC should expedite action on the preparation of a national long term development plan to guide the overall development of the country over the next 15 to 20 years. The plan should identify and address the challenges across all sectors of the country. This would ensure the speedy periodic review (annual or mid term) of guidelines for preparing sector plans and DMTDPs and minimise the delay in the issuance of guidelines. This recommendation is being made based on the fact that although the NDPC has initiated a process towards the preparation of a national long term development plan over the period 2006 -2015, there are indications that the process has been stalled.

In order to expedite action on the timely preparation and issuance of guidelines for preparation of MDA and MMDA plans, we recommend that the management of NDPC should sign performance

contracts with the Chief of Staff at the Office of the Presidency that commits the organisation to prepare and issue guidelines and other reports/documents at least six months towards the end of the current planning period. This will provide ample time for MDAs and MMDAs to prepare their plans. We also recommend that government should increase financial resource allocation to NDPC given its strategic role in the national development process.

Establishment of Fiscal Decentralisation Unit/Desk at MoFEP

Given the low attention of MoFEP to district planning, budgeting and expenditure issues, it is recommended that MoFEP should establish a unit/desk office within its Budget Division to provide oversight responsibility for the preparation of district budgets, ensure that district budgets are integrated into the national budget, and track resource allocation and utilisation at the district level.

Clarification of roles of NDPC and MoFEP

While MoFEP has the mandate to formulate and implement sound fiscal and financial policies, Act 479 and sections 86 and 87 of the 1992 Constitution also mandate NDPC to formulate comprehensive national development policies including macroeconomic policies and ensure that these policies are effectively implemented. Beyond this provision, both institutions have economic planning or economic policy divisions which virtually appear to be performing the same functions.

Under the current circumstances, there isn't a clear distinction between the functions of both NDPC and MoFEP in economic planning. Given the lack of clarity in the specific roles of MoFEP and NDPC in economic planning, we recommend that officials of both institutions should confer with a view to establishing clear mandates of the two institutions. Such dialogue might necessitate the review of the relevant legislations that established both institutions. In the interim, the study was informed about an on-going reform in the planning unit of MoFEP. We therefore recommend that MoFEP and NDPC should explore the possibility of setting up a desk/office within the planning unit of MoFEP to ensure that fund disbursement and reporting is in tandem with the national, sector, regional and district plans

Scrutiny of Budget of MDAs and MMDAs by NDPC

Given the financial administration authority of MoFEP (responsibility for preparation of national budget and approval of budgets of all sector MDAs) and the coordinating role of NDPC, the latter has virtually no control over resource allocation which could enable it ensure that resource allocation is in tandem with national, sector and district plans. In addition, it is a fact that the majority of MMDAs rely on the DACF to finance capital projects and to implement their DMTDP. It would therefore have been expected that district budgets submitted to the Administrator of DACF would have been extracted from the DMTDPs and AAPs of MMDAs. In practice however, the Administrator of DACF has not instituted a mechanism for verifying whether proposed projects are from the DMTDPs or Annual Action Plans, neither can the Administrator insist that MMDAs should select projects from their Annual Action Plan because MMDAs are autonomous institutions.

We therefore recommend that MoFEP and the Administrator of DACF should review their current budget scrutiny procedures to enable NDPC play an active role in the review and allocation of funds

to MDAs and MMDAs before the budget is submitted to Parliament. This will enable NDPC ensure that funds are allocated to address activities in the national plan, sector plans and DMTDPs. Currently, NDPC only participates in policy hearings by the various sector MDAs while MoFEP determines allocation of resources to MDAs and MMDAs.

Preparation of MMDA Budgets in MTEF Format

The study revealed that although most Budget Officers had received training in the preparation of budgets in the MTEF format, all MMDAs were preparing their budgets in the line item format. Besides, the majority of Budget Officers interviewed admitted that they could use the MTEF format to prepare only expenditure estimates. All MMDAs visited were only using the MTEF format in the preparation of expenditure estimates in their supplementary budgets. We therefore recommend that additional capacity building support through hands-on training should be provided for Budget Officers/Analysts of MMDAs to enable them use the MTEF for both revenue and expenditure estimates. Subsequently, MLGRD should direct all MMDAs to prepare all their budgets (general and supplementary) using the MTEF format.

Recruitment and Training of Staff of DPCU Secretariat

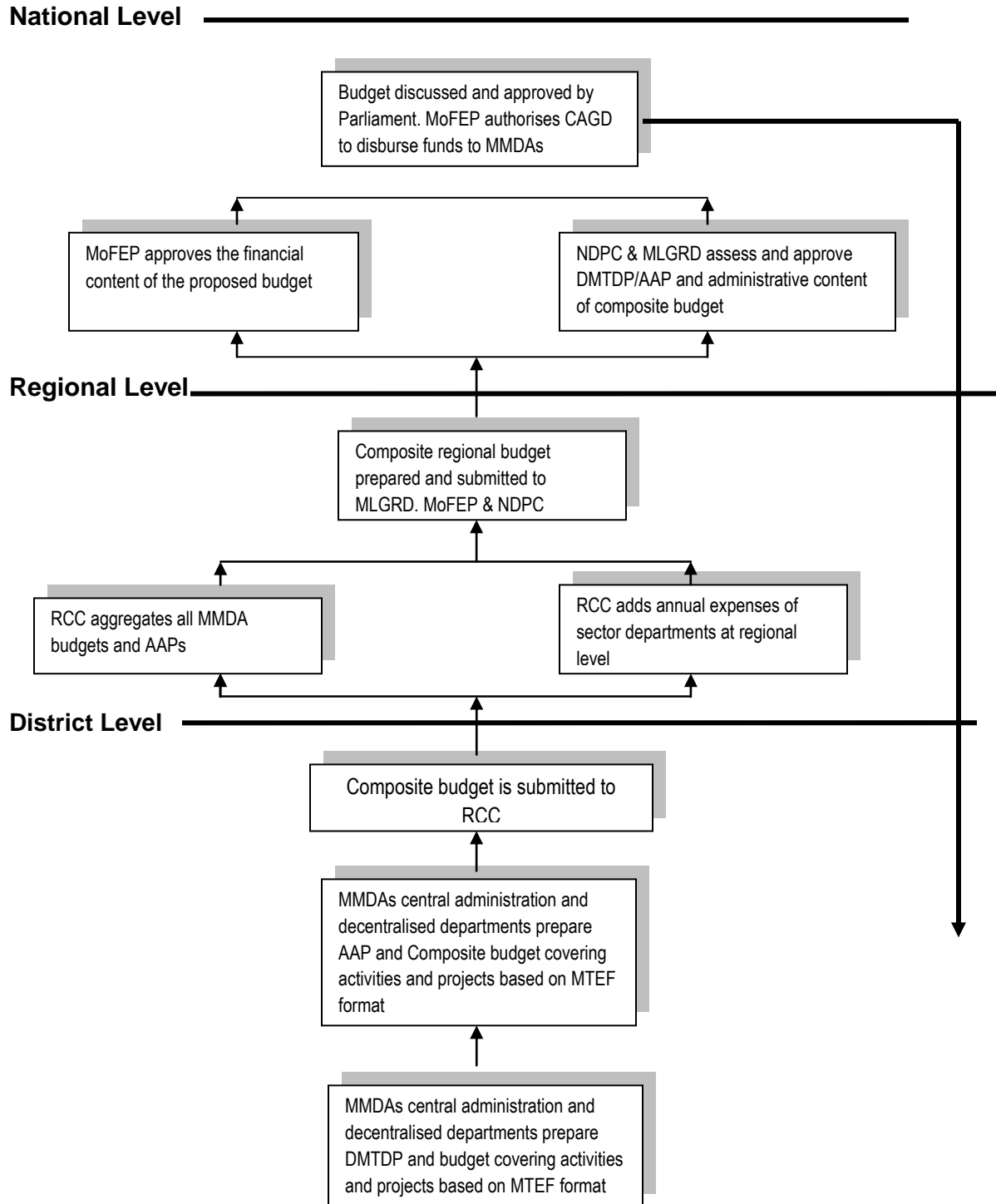
The study established gaps in the availability and skills of District Budget Officers especially in the three (3) regions in Northern Ghana. Accordingly, we recommend that adequate personnel should be recruited by MoFEP to fill the vacancies currently available at the MMDA level. It was further established that most MMDAs especially District Assemblies were without substantive Assistant Planning Officers. Given the current work load at the DPCU secretariat and the level of expertise required, we recommend that additional personnel should be recruited by MLGRD to fill these vacancies. A critical issue that also emerged is the non availability of a well structured training programme and mentorship for newly recruited staff of the DPCU secretariat. Unfortunately, these officers are posted as substantive Planning and Budget Officers. This situation has implications on the quality of work done by the secretariat. We therefore recommend that MLGRD and MoFEP should develop and institute a well structured hands-on training programme for newly recruited staff of the DPCU secretariat.

Composite Budgeting

Given the fact that what is currently described as “composite budget” at the MMDA level is nothing more than the dis-aggregation of budget at the MDA level to the MMDAs, we recommend that the current mechanism of transferring funds for recurrent administrative expenditures by Chief Directors of sector ministries to regional heads who often exercised discretion in allocating and releasing funds to their district departments should be reviewed to allow MoFEP issue budget allocations directly to the sector ministries (for their headquarters functions), Regional Coordinating Councils and MMDAs. This proposal will give meaning to the concept of composite budgeting as spelt out under Section 92 of Act 462. This recommendation is contingent upon the passage and implementation of the legislative instrument to transfer the functions and decentralised departments of central government fully to MMDAs. Notwithstanding the implementation of these recommendations, the study team is of the opinion that MMDAs have adequate capacity to carry out composite budgeting. Following the implementation of this recommendation and in line with the

principles of composite budgeting, the following budgeting framework is proposed for adoption. The framework is illustrated in **Figure 10**.

Figure 10 Proposed Budgeting Framework



Source: Authors' own construct

Preparation of a Budget and Planning Manuals

The current process of issuing budget guidelines to sector MDAs and RCCs should be reviewed to allow MoFEP to issue budget guidelines to MDAs and MMDAs concurrently. Given the peculiar activities involved in the preparation of budgets by MMDAs and MDAs, these activities should be reviewed and compiled into a comprehensive budget manual for all MDAs and MMDAs with clearly defined timelines and outputs. The budget manual should also establish mechanisms for integrating the district budgets into the regional and national budget modelled along the proposed framework presented diagrammatically in **Figure 10**.

Given the experience in the preparation of three successive national, sector and district plans, NDPC should also review the current plan preparation process and prepare a comprehensive planning manual incorporating the plan preparation process at the national, regional and district levels. The planning manual should provide a one-stop guide in the preparation of plans at the national, regional and district levels and must have clear outputs and timelines. If the recommendation on the preparation of a national development plan is carried out, it should be possible for MDAs and MMDAs to initiate the plan preparation process with minimal support from NDPC. Clearly, the role of NDPC in the plan preparation process would be to provide an indication of the thematic areas and cross cutting issues to be included in the plans at the sector MDA and MMDA levels. Both the planning and budget manuals should establish links between the planning and budget processes at the national, regional and district levels.

Integrating decentralised departments into MMDAs

The continuous existence of centralised enabling legislations and absence of legislative instrument to effect transfer of decentralised departments, functions and resources to MMDAs are clearly constraints to fiscal decentralisation. We therefore recommend that government should expedite action on the implementation of the Local Government (Departments of District Assemblies) (Commencement) Instrument, 2009, (L.I. 1961) to transfer the functions of the 22 sector (line) departments of central government fully into the proposed 11, 13 and 16 departments for the District, Municipal and Metropolitan Assemblies respectively as indicated in Act 462.

While the laws setting up the services (Ghana Health Service and Teaching Hospitals Act of 1996 (Act 525), Ghana Education Service Act of 1995 (Act 506), Forestry Commission Act of 1999 (Act 637) e.t.c.) are in place, working arrangements between the services and MMDAs should be established to ensure that the services operate in a manner consistent with the principles and objectives of fiscal decentralisation in Ghana. Where necessary, appropriate amendments should be effected on the laws setting up the services with a view to aligning their functions within an integrated MMDA system. This proposal would also necessitate a re-orientation and restructuring of MDAs and MMDAs to establish clear roles and reporting relationships at the national, regional and district levels.

Introduce performance indicators with budget volumes

In order to link plans and budgets of MDAs and MMDAs, we recommend that budget volumes should contain an outline of performance indicators which are linked to MDA and MMDA plans.

Internal auditors at the MDA and MMDA levels should be mandated and trained to audit financials in relation to the performance indicators outlined in the plans and budgets of MDAs and MMDAs;

Funds flow through MDBS and DDF

With the establishment of the District Development Facility (DDF) (a performance based grant system for MMDAs) and Multi Donor Budget Support (MDBS), we recommend that Development Partners should channel funding through these resource pools with a view to aligning and harmonising interventions in decentralisation at the national, regional and district levels. Adequate monitoring and tracking systems should be built into the operationalisation and management of these resource pools to enhance transparency and accountability. If the “Municipal Contract” system is institutionalised, the financial grants should also be subjected to the same monitoring and tracking system. The MMDAs should inform MoFEP of all-off budget interventions in their jurisdiction.

Improving Funding and Instituting Performance Assessment of RCCs

Given the inadequate technical support to MMDAs by RCCs especially during pre and post plan preparation and implementation, we recommend that two strings of recommendations should be carried out. First, adequate funding and logistics should be provided to the RPCUs through increasing their proportion of the DACF contingency fund and funding the RCCs through the Consolidated Fund. Second, the current annual performance assessment of MMDAs using the FOAT should be extended to RCCs. This will enable good performing RCCs to be rewarded and poor performing RCCs provided capacity building support to improve their performance. It will also enable the RCCs and RPCUs fulfill their mandate within the framework of Ghana’s decentralisation and decentralised development planning system.

The Regional Coordinating Councils currently appear to serve as conduits for transmitting plans and budgets to NDPC and DACF. In some instances, RCCs have exercised their coordinating role with an authority to advise MMDAs to modify their plans and budgets. Given the role of the RCC/RPCU to harmonise and coordinate plans and budgets, sections 10 (3) (a) and 47 (2) of Act 462 and section 8 (i) (b) of Act 480 should be aligned to emphasise the coordination function of RCCs at the regional level.

Issuance of DACF Guidelines and Timely Disbursement of Funds

Given the fact that the majority of MMDAs rely on funding from the DACF to implement programmes and projects in their DMTDPs, we recommend that the guidelines for utilisation of the DACF should be issued in the second quarter of the ensuing year to enable MMDAs prepare and submit their supplementary budgets by October for harmonisation and alignment with national and district budget process. We further recommend that funds from DACF should be disbursed on time. This recommendation is being made on account of the fact that untimely disbursement of funds from the DACF continues to derail the plans and budgets of all MMDAs.

Approval of MMDA Budgets

The study revealed a general lack of clarity in the content and approval authority of district budgets as prescribed by the Local Government Act of 1993 (Act 462). Given this situation, we recommend

that MoFEP and MLGRD should hold discussions with a view to arriving at a consensus on the issue and to facilitate the review of sections 10 (3) (a) (ii), 11 and 92 of Act 462. In order to promote fiscal decentralisation and strengthen the discretionary authority of MMDAs, it would be worthwhile to grant MMDAs the final approval authority for their budgets. The enactment of the legislative instrument to transfer the functions of the 22 sector (line) departments of central government fully into the proposed 11, 13 and 16 departments for the District, Municipal and Metropolitan Assemblies respectively and the institutionalisation of the composite budget system would address issues relating to the content of district budgets.

Streamlining Payment Procedures at MMDA level

The study has established that MMDAs were adopting varied procedures and processes in the payment of goods, services and works. In most instances, the procedures were different for payments made from internally generated revenue and funds from DACF. It was further established that in the case of payments from internally generated revenue, the District Budget Officers were often not involved in the payment procedures. This situation weakens effective budget monitoring. Regrettably, the payment procedures are not clearly provided in the Financial Memoranda issued by MLGRD. We therefore recommend that CAGD, Internal Audit Agency and MLGRD should review the current payment procedures with a view to defining clearly, the appropriate procedures for payment of goods, services and works by MMDAs. This would necessitate a review of the Financial Memoranda issued by MLGRD to include the procedures for payments from IGF.

Multiplicity of Plans at the MMDA Level

The study revealed that MMDAs had over five (5) different plans in addition to their DMTDP. Unfortunately, most of these plans were not being implemented. The preparation of these plans has implications on availability of staff at post and cost to MMDAs. In all instances, MMDA staff especially Planning Officers indicated that they had to participate in training workshops on the procedures for preparing the new plans. Subsequently, MMDAs had to constitute planning teams to prepare the plans. In some instances, public hearing sessions had to be organised to discuss the plans. The multiplicity of plans further compounds the ability of MMDAs to link their plans to their budgets. This is because all these plans compete with the meagre resources of MMDAs for implementation.

We therefore recommend that NDPC should collate and review all the plans currently available at the MMDA level with a view to incorporating issues from these plans into the guidelines for preparing DMTDPs. NDPC should get all MDAs and DPs to effectively participate in the development of guidelines for preparing DMTDPs and to insist that MDAs and DPs use the DMTDP to facilitate interventions at the district level.

Preparation of Budgets for DMTDPs

The study team observed in preparing the DMTDPs, the majority of MMDAs did not give due consideration to assessing the financial resource potential of their respective MMDAs. As a result, the budget for programmes and projects in the DMTDPs far exceeded the financial resources of MMDAs. Under these circumstances, most MMDAs were only able to implement barely 50% of

planned programmes and projects. A review of the plans of MMDAs selected for this study further revealed that funding for proposed projects were not disaggregated according to the various funding sources. We therefore recommend that in preparing subsequent DMTDPs, NDPC should ensure that MMDAs give due consideration to assessing the financial resource potential of MMDAs. Funding sources for DMTDPs should be disaggregated to enable all stakeholders including MMDAs establish their respective cost in implementing the DMTDP.

Performance Assessment of MMDAs

The introduction of the District Development Facility which entails an annual performance assessment of MMDAs using FOAT has been recognised as an effective tool for ensuring that MMDAs comply with the existing legal and administrative procedures for local governance in Ghana. Currently, planning and budgeting are thematic areas under FOAT both as minimum conditions and performance measures. Given the fact that fulfilment of all the minimum conditions is a prerequisite to access the performance grant, we recommend that MLGRD should introduce indicators on the timely submission of AAPs and budgets and the linkage between AAPs and investment budgetary estimates should be introduced as minimum conditions. This will ensure that MMDAs link their budgets to the plans and align the planning and budget process at the district level with that of the national and regional levels.

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APPENDIX I PLANNING AND BUDGETING CYCLE

APPENDIX II SUMMARY OF KEY HIGHLIGHTS OF LITERATURE REVIEW

A summary of the relevant findings of the literature review is presented below.

A Local Government Act, 1993 (Act 462)

The Local Government Act, 1993 (Act 462) which provides the legal framework for the MMDAs recognises each District Assembly as the Planning Authority in the district. Section 46, states “for the purposes of national development, planning, each District Assembly is by this Act established as the **Planning Authority** for its area of authority”. The Act also makes provision for the establishment and membership of District Planning Coordinating Units (DPCUs). The institutional framework for the preparation and submission of the District plans have been prescribed in the Act; specifically, the MMDAs are mandated to prepare the plans within the framework of the formats prescribed by the National Development Planning Commission (NDPC) and thereafter submit the draft plans to the NDPC through the Regional Coordinating Councils (RCCs).

The provisions in Act 462 relating to budgeting recognise the roles of the RCC and the Ministry of Finance and Economic Planning. Section 92 (1) stipulates that “Every District Assembly, shall before the end of each financial year submit to the RCC a detailed budget for the district stating the revenue and expenditure of the District for the ensuing year” and section 92(2) requires the RCCs to “collate and coordinate the budgets of the districts in the region and submit the total (regional) budget to the Minister responsible for Finance” with copies to the NDPC. The provisions relating to planning and budgeting as spelt out in the Local Government Act recognises the need for coordination and harmonisation between the lower and higher levels of government as well as alignment with national processes.

B Local Government Service Act, 2003 (Act 656)

The Local Government Service Act, 2003 (Act 656) establishes the Local Government Service (LGS) and spells out the objectives, functions, administration of the service and related concerns. The Act will, when implemented, establish an integrated district structure where all heads of decentralised departments will be answerable to the District Chief Executive through the District Coordinating Director (Section 23) and will be responsible for the implementation of the plans, policies, programmes and decisions of the District Assemblies. An integrated district structure could augment effective harmonisation, alignment and coordination of planning and budgeting at the MMDA level.

The Act however maintains substantial central control over MMDA staff, as they are employees of the LGS (at the national level) rather than recruited by individual MMDAs. Act 656 stipulates that committees will be established by the LGS Council at district and regional levels to be responsible for appointments, promotions and discipline of MMDA staff.

A key policy challenge faced by the LGS is the creation of sector services in education, health and forestry while their key functions have been decentralised. The LGS has initiated work to operationalise the integration of decentralised departments into MMDAs. This development would

however require amendment to some sector legislations notably that of the education, health and forestry sectors.

C National Development Planning (System) Act, 1994 (Act 480)/ National Development Planning Commission Act, 1994 (Act 479)

Acts 479 and 480 provide the broad framework for decentralised development planning in Ghana and the institutional setting for the National Development Planning Commission which coordinates planning activities at the national, regional and district levels. Act 480 also spells out the functions of the Regional Planning Coordinating Units (RPCUs) and District Planning Coordinating Units (DPCUs).

There is however some degree of ambiguity regarding the functions of the NDPC and that of the Ministry of Finance and Economic Planning over the performance of economic planning functions given the mandate of the two institutions.

D Ghana Education Service Act, 1995 (Act 506)/ Ghana Health Service and Teaching Hospitals Act, 1996 (Act 525)

The Acts establishing the Ghana Education Service, 1995 (Act 506) and the Ghana Health Service, 1996 (Act 525) are contrary to the direction of decentralisation and are actually parallel to Act 462. With respect to budgeting, while Act 506 places responsibility for the preparation of the budgetary estimates of the Ghana Education Service on the Director-General, the Council of the Ghana Health Service is clothed with that mantle in Act 525. The implication of these provisions in Acts 506 and 526 is that the MMDAs are not required to include the education and health sectors in their budgetary estimates. Paradoxically, Act 462 places the delivery of social services on the lap of the MMDAs.

E Intergovernmental Fiscal Decentralisation Framework

Intergovernmental fiscal decentralisation deals with the financial component of the Government's decentralisation programme. Although the 1992 Constitution prescribes a devolved form of decentralisation where there is a transfer of authority for decision-making, finances and management from the central to the local governments, the central government still performs many functions that should be moved to the sub-national level and controls the majority of regional and district financial resources

The goal of the framework is to provide a comprehensive road map which has broad based support for the vision of fiscal decentralisation as well as strategies to meet that vision. The framework was developed in 2008 and is structured into four categories:

- expenditure (functional) assignment and authority
- revenue and funding arrangements
- financial management and accountability; and

- institutional arrangements²

The financial management and accountability category entails proposed interventions on planning and budgeting, procurement, internal and external audit, payroll, accounting, financial reporting and monitoring & evaluation of finances and programmes.

F National Decentralisation Action Plan

The Ministry of Local Government, Rural Development and Environment (as it then was) in 2003, prepared the National Decentralisation Action Plan (NDAP) in a bid to accelerate the implementation of the decentralisation reforms in Ghana. The NDAP has four (4) programme areas notably

1. policy and institutional arrangement for decentralisation implementation
2. district development funding facility
3. capacity building and human resources development for decentralisation
4. partnership and participation for accountable decentralisation

The NDAP also seeks to harmonise Ghana Government-Development Partners modalities for capacity building and development funding at the district and sub district levels.

To facilitate the implementation of the NDAP, it was proposed that a Decentralisation Secretariat (DS), a Presidential Advisory Committee on Decentralisation (PAC); and an Inter-Sectoral Working Group on Decentralisation (ISWG) be established to coordinate the implementation process. To date, only the Decentralisation Secretariat has been established. A critical output of the NDAP has been the establishment of the District Development Facility and the preparation of the Draft Comprehensive Decentralisation Policy Framework. A review of the implementation of the NDAP concluded that *“while some progress have been made under the NDAP on operational issues such as formulation of common development funding and capacity building arrangements, then it is evident that issues of a more policy nature have not been facilitated much by these arrangements and that the PAC and ISWG have been un-operational”*³.

G Draft Comprehensive Decentralisation Policy Framework, 2007

The draft comprehensive decentralisation policy framework was prepared in March 2007. The preparation of the policy framework was part of a series of interventions under the NDAP. The objective of this policy framework was to deepen political, administrative and fiscal decentralisation in Ghana and to reaffirm the Government’s commitment to the policy of decentralisation in conjunction with people’s participation.

This framework also outlines the intended policy initiatives of the Government of Ghana notably (1) harmonizing the legal and regulatory framework for decentralisation and local governance

² Government of Ghana (2008) Intergovernmental Fiscal Decentralisation Framework. Issued by the Ministry of Local Government, Rural Development and Environment. March 2008.

³ Joint Government of Ghana and Development Partners. Ghana Decentralisation Policy Review. Draft Report. 22nd November 2007.

(including framework for planning and budgeting), (2) clarifying and strengthening mechanisms of accountability of sub-national public officials, and (3) improving the allocation of resources to District Assemblies to fully deliver the tasks and functions transferred to them.

H Fourth Republican Constitution of Ghana

Decentralisation has become a constitutional issue in Ghana given the existence of a chapter on it in the Fourth Republican Constitution of 1992. Article 241 Section 3 of the 1992 Constitution mandates the District Assembly (DA) to be the highest political authority in the district with deliberative, legislative and executive powers with the power to formulate and execute initiatives for the effective mobilization of the resources necessary for the overall development of the district. Section 245 of the Fourth Republican Constitution reaffirms the planning and budgeting functions of District Assemblies.

I Guidelines for Preparation of District Medium Term Development Plans (2006-2009)

The National Development Planning Systems Act, 1993 (Act 479) mandates the National Development Planning Commission (NDPC) to prepare and issue guidelines for the preparation of sector plans and district medium term development plans in line with the priority areas identified in the national development plan or blueprint.

In defining a district planning framework, guidelines issued by NDPC follow the trajectory of medium-term planning requirements. In the last two mid-term periods, these have coincided with the preparation of Ghana Poverty Reduction Strategy (2003-2005) (GPRS I) and the Growth and Poverty Reduction Strategy (2006-2009) (GPRS II). In response, the District Assemblies through their DPCUs prepare the DMTDPs and the Annual Action Plans and costing. The NDPC guidelines:

- set the national development agenda for the preparation of MTDPs by MDAs, RCC and MMDAs;
- define areas of national policy, priorities and strategies for the medium term;
- provides the framework for the derivation of sector, regional and district goals, objectives and strategies;
- define the scope of the DMTDPs; and
- prescribe the format for the preparation of DMTDPs⁴.

J Guidelines for the Preparation of the 2009-2011 Budget Statement and Economic Policy issued by the Ministry of Finance and Economic Planning

Guidelines for the preparation of annual budgets are issued by the Ministry of Finance and Economic Planning normally in May in the year before the implementing year. The guidelines are issued to MDAs and MMDAs with sectoral ceilings. The 2009-2011 budget guidelines were issued in May 2008. The budget is based on the Medium Term Expenditure Framework hence the 3-year frame.

⁴ CIDA (2002) Ghana Fiscal Decentralisation Project. Design Report. CIDA Project #400/1878

The guidelines detail how specific expenditure items and policies are to be treated in the budget. In the 2009-2011 guidelines for example, the MDAs were requested to allocate adequate resources to address issues relating to gender equality promotion and women's empowerment in the estimates. In addition to asking the MDAs that have regional and district offices to budget for them, the guidelines instructed all MMDAs to prepare composite budget for their respective Assemblies.

K District Assemblies Common Fund Act, 2003 (Act 455)

In line with the 1992 Constitution which requires Parliament to annually allocate not less than 5% of total central government revenue to the MMDAs for development purposes, Parliament passed the District Assemblies Common Fund Act of 1993 (Act 455). The Act established the Office of the Administrator of the District Assemblies Common Fund as well as the structure and responsibilities for fulfilling the obligations of the office. The allocations to each MMDA are based on a formula approved by Parliament. Disbursements are made on a quarterly basis and a quarter in arrears. The DACF is available to the MMDAs only for investment expenditure. In 2008, the proportion of total government revenue allocated to the DACF was reviewed from 5% to 7.5 %. The MMDAs can only receive their allocations upon the submission of their Annual Action Plans (AAP) and Annual Budgets to the Administrator of the DACF.

L Financial Administration Act, 2003 (Act 654)/ Financial Administration Regulations of 2004 (Legislative Instrument 1802)

The Financial Administration Act, 2003 (Act 654) and Financial Administration Regulations of 2004 (LI 1802) regulate the financial management of public funds. The Act and its regulations prescribe the responsibilities of persons entrusted with financial management of Government revenue, expenditure, assets and liabilities. They also spell out the modalities for preparation of the budgets of both the MDAs and the MMDAs.

M Guidelines for Operationalisation of the Regional and District Planning Coordinating Units

Although the composition and functions of the Regional Planning Coordinating Units (RPCUs) and the District Planning Coordinating Units (DPCUs) have been indicated in the relevant sections of the Local Government Act, 1993 (Act 462), National Development Planning (Systems) Act (1994) (Act 479) and the National Development Commission Act (1994) (Act 480), it was not until 2003 that the National Development Planning Commission defined the composition and mode of operation of the RPCUs and DPCUs.

N Design and Management Arrangements of the District Development Facility

The District Development Facility (DDF) is a funding arrangement which seeks to harmonize and consolidate resource streams presently used for the funding of district level development interventions and to mobilize additional resources for the implementation of the DMTDPs. The DDF has three components namely (1) basic grant (2) performance grant and (3) capacity building grant. Access to the basic and performance grants is contingent on the results of an annual assessment based on the Functional and Organisational Assessment Tool (FOAT). The FOAT is rooted in the existing legal, policy and administrative framework and includes performance indicators on planning

and budgeting and financial management thematic areas. The capacity building component is intended to provide training and logistics support to MMDAs in areas identified through the annual performance assessment exercise using the FOAT.

APPENDIX III STAFFING STRENGTH OF DPCU SECRETARIAT OF MMDAS VISITED

Category	Staff Available	Backlog Vacancies?
Metropolitan		
Accra	1 Planning Officer 3 Asst. Planning Officers 1 Budget Officer 1 Asst. Budget Officer	
Cape Coast	1 Planning Officer 1 Asst. Planning Officer 1 Budget Officer 1 Asst. Budget Officer	2 Asst. Planning Officers
Tamale	1 Planning Officer (seconded to NORPREP) 2 Asst. Planning Officers 1 Budget Officer	1 Planning Officer 1 Asst. Planning Officer 1 Asst. Budget Officer
Sekondi Takoradi	1 Planning Officer 1 Asst. Planning Officers 1 Budget Officer 1 Asst. Budget Officer	2 Asst. Planning Officers
Kumasi	1 Planning Officer 3 Asst. Planning Officers 1 Budget Officer 1 Asst. Budget Officer	
Municipal		
New Juaben	1 Planning Officer 1 Asst. Planning Officer 1 Budget Officer;	1 Asst. Planning Officer
Ho	1 Planning Officer 1 Asst. Planning Officer 1 Budget Officer;	1 Asst. Planning Officer
Wa	1 Planning Officer 1 Asst. Planning Officer 1 Budget Officer;	1 Asst. Planning Officer
Bolga	1 Planning Officer 1 Asst. Planning Officer 1 Budget Officer;	1 Asst. Planning Officer
Sunyani	1 Planning Officer 1 Asst. Planning Officer 1 Budget Officer;	1 Asst. Planning Officer
District Assemblies		
Kwabre East	1 Planning Officer 1 Budget Officer	1 Asst. Planning Officer

Category	Staff Available	Backlog Vacancies?
Savelugu	1 Planning Officer	1 Asst. Planning Officer 1 Budget Officer
Hohoe	1 Planning Officer 1 Budget Officer	1 Asst. Planning Officer
Nadowli	1 Planning Officer 1 Budget Officer	1 Asst. Planning Officer
Dangme West	1 Planning Officer 1 Asst. Planning Officer 1 Budget Officer	
Tano South	1 Planning Officer 1 Budget Officer	1 Asst. Planning Officer
Twifo Hemang Lower Denkyira	1 Planning Officer 1 Budget Officer	1 Asst. Planning Officer
Assin South	1 Planning Officer 1 Budget Officer	1 Asst. Planning Officer
Akuapem North	1 Planning Officer 1 Budget Officer	1 Asst. Planning Officer
Mpohor Wassa East	1 Planning Officer 1 Asst. Planning Officer 1 Budget Officer	

Source: Field Visit, 2009

APPENDIX IV LIST OF PERSONS INTERVIEWED

Upper West Regional Coordinating Council

Name	Designation
1. David Yakubu	Regional Coordinating Director
2. Alhassan Issahaku	Director (Administration)
3. Ayaga John Matthew	Regional Budget Analyst
4. Baba Hamid Osman	Regional Economic Planning Officer

Wa Municipal Assembly

Name	Designation
1. S.Z. Gyiele	Municipal Director of Education
2. Mohammed Rufai	Coordinating Director
3. Kenneth Diesuo	Planning Officer
4. Edmund Mangkyire	Budget Officer

Nadowli District Assembly

Name	Designation
1. Abdul S. Nuhu	Junior Accounts Officer
2. Kydola Emmanuel	Asst. Budget Analyst
3. Mohammed Majeed	Planning Officer
4. Yirikye Alex	National Service Personnel
5. Mumuni Osman	Asst Director IIB

Northern Regional Coordinating Council

Name	Designation
1. J. L. Dasana	Regional Coordinating Director
2. Gregory Addah	Regional Economic Planning Officer
3. Thomas Appiagyei	Regional Budget Officer
4. Takora Saaka	Town and Country Planning Officer
5. Yakubu Amanu	Internal Auditor
6. Iddrisu Sanday	D.O.W., G.N.C.C
7. Elijah Acquah	Local Government Inspector.
8. Alhaji A. M. Shani	Chief Works Superintendent

Tamale Metropolitan Assembly

Name	Designation
1. Samuel Afrane	Planning Officer/NORPREP
2. Neina Fawzia Saani	Planning Officer
3. Hope Dziekpor	Budget Officer

Savelugu Nanton District Assembly

Name

1. Abukari Baba
2. M. A. Azonko
3. Abubakari Achiji
4. Georgina Tumbakorah

Designation

Planning Officer
Coordinating Director
Asst. Director IIB
Asst. Director IIA

Upper East Coordinating Council

Name

1. S. G. A. Nlary
2. Sagito Issakah
3. Joseph Annan
4. Atimpoya Daniel
5. Philip Yinbil
6. Abdul Mumuni Jejewunde
7. Halem Dada
8. John Adongo

Designation

Regional Coordinating Director
Regional Economic Planning Officer
Regional Budget Analyst
Chief Internal Auditor
Development Planning Officer
Finance Officer
Asst. Director IIB
Asst. Director IIB

Bolgatanga Municipal Assembly

Name

1. Martin Tee
2. Richard Adongo
3. Gaspard Dery
4. Benedict B. Yindol
5. Mercy Pwavia
6. Mustapha B. Adam
7. P. K. Kuupol
8. Juliana Adaile
9. Saeed Abubakar
10. Solomon P. Kombey
11. Francis Adorsu

Designation

Budget Officer, Ghana Education Service
Community Development Officer
Planning Officer
Asst. Director
Social Welfare Officer
Budget Officer
Coordinating Director
Public Health Nurse
Internal Auditor, Ghana Health Service
Internal Auditor
Municipal Engineer

Kassena Nankana District Assembly

Name

1. Agyeyomoh T. Juliana
2. Amadu Abubakari
3. Aveyum Patrick
4. Ali Nantomah
5. Azuntaaba Wallace
6. Rashid Saini
7. Victoria Asuhwoo

Designation

Planning Officer
Budget Analyst
Development Officer, Ghana Education Service
Finance Officer
MIS Officer, Department of Agriculture
District Health Administration
Community Development Officer

Ashanti Regional Coordinating Council

Name

1. S. O. Kusi-Appiah
2. Lucy Owusu-Ansah (Mrs.)
3. Francis Kusi
4. P. S. Ntiri-Asiedu
5. Charles Agyei

Designation

Regional Coordinating Director
Regional Economic Planning Officer
Regional Finance Officer
Regional Budget Officer
Senior Accountant

Kwabre East District Assembly

Name

1. Edward Oduro
2. Fred Agyeman
3. Vida Yeboah

Designation

Budget Analyst
Planning Officer
Asst. Director

Kumasi Metropolitan Assembly

Name

1. Emelia Botchway
2. Edward Oduro
3. Paa Kwesi Simmons

Designation

Asst. Director
Budget Analyst
Planning Officer

Central Regional Coordinating Council

Name

1. Frank Obeng-Dapaah
2. Fazel Forson
3. Richard Teigaga
4. Ben Issah
5. George Holdbrook
6. Musah Y. Froko

Designation

Regional Economic Planning Officer
Regional Local Gov't Inspector
Regional Env'tal Health Officer
Internal Auditor
Regional Budget Analyst
Asst. Director

Assin South District Assembly

Name

1. Charles K. Obeng
2. Adam Hussein
3. Asare Mensah
4. Paul Essel
5. S. Yirenskyi Appiah
6. Philip K. Awuah
7. George Nyame

Designation

Ag. Town Planning Officer
Finance Officer
Budget Analyst
Planning Officer
Coordinating Director
Director of Agriculture-MoFA
Technician Engineer

Cape Coast Metropolitan Assembly

Name

1. Justice Amoah
2. David Jebens

Designation

Planning Officer
DED Advisor

3. Yusif Farouk Adama	Assembly Member
4. K. A. Hayford	Town and Country Planning Department
5. Anthony Tawiah	Community Development Officer
6. Philemon Nketsiah	Ghana Education Service
7. J. L. Abban	Environmental Health Officer
8. J. E. Mensah	Finance Officer
9. Veronica Essel	NBSSI-BAC
10. P. V. Mensah	Co-operatives
11. Peter Omega	Department of Agriculture
12. Felicia Ankrah	Social Welfare
13. Charles Ofori-Larbi	Information Service Department
14. Mirriam Osae-Addo	Asst. Director
15. Osei-Kuffuor Michael	Internal Auditor

Twifo Hemang Lower Denkyira

Name	Designation
1. Albert Aidoo	Finance Officer
2. Obiri-Adjei R.	Department of Co-operatives
3. C. K. Opoku	Planning Officer
4. William Ekufful	National Service Personnel
5. Joseph Indoom	P. W. S.
6. Isaac Asamoah	Assembly Member
7. Emmanuel Acquaye	Director, Dep't of Agriculture
8. Yvonne Kwarah	Feeder Roads
9. Fred Ghansah	Feeder Roads

Brong Ahafo Regional Coordinating Council

Name	Designation
1. Chaahaah B. Felix	Regional Coordinating Director
2. Eric Adom Marfo	Regional Budget Officer
3. Seth Kwaku Amoah	Regional Statistician
4. Sylvester Agangmikre	Regional Population Officer
5. Isaac Osei	Ag. Director, Environmental Protection Agency
6. K. Yankyera-Agyemang	Budget Officer
7. Malonin Asibi	Department of Women
8. H. O. Kwarteng	Department of Children (MOWAC)
9. Michael K. Gyamfi	Asst. Director IIB
10. Daniel Baah	Chief Works Superintendent

Sunyani Municipal Assembly

Name	Designation
1. James Q. A. Nunoo	Engineer
2. Seth Appiah	Finance Officer

3. Anthony Amponsah	Planning Officer
4. Gyamfi Ameyaw	Coordinating Director
5. Joseph K. B. Tang	Asst. Director
6. Simon Opoku	Environmental Health Officer
7. Thomas Oduro Ofosu	Community Development Officer
8. B. Owusu-Kyeremeh	Asst. Planning Officer

Tano North District Assembly

Name

1. Mensah Emmanuel Richard
2. Thomas Amakwah
3. C. D. B. Mensah
4. Daniel Kofi Nti
5. E. K. Mensah
6. C. T. Dery
7. Saase Kwasi Baah
8. A. K. Sagoe-Abaka
9. Dominic Owusu-Amoako
10. J. Adu Koranteng
11. E. A. Ocansey
12. Lambert Wuah Parko

Designation

- Statistician
District Health Directorate
District Director of Education
Deputy Director of Education
Community Development Officer
Director of Agriculture
Planning Officer
Budget Analyst
Chief Executive
Coordinating Director
Social Welfare Officer
Environmental Health Officer

Greater Accra Regional Coordinating Council

Name

1. K. Addo
2. K. Pappoe

Designation

- Economic Planning Officer
Budget Analyst

Accra Metropolitan Assembly

Name

1. Timothy Oman
2. Lydia E. A. Sackey

Designation

- Planning Officer
Budget Analyst

Dangme West District Assembly

Name

1. M. A. Amadu
2. Samuel Ahwere
3. Jonas Gberble
4. Nii Quaye-Kumah
5. Kakraba Jonas
6. Abdul Rahman
7. Afua Tagoe
8. Rose Assan
9. Stephanie Quarshie

Designation

- Planning Officer
Information Service Dep't
Administrator, Ghana Education Service
Director, Agriculture
Engineer
Asst. Director II
Budget Officer
Community Development Officer
Internal Auditor

10. Frederick Asamoah	Planning Unit
11. E. A. Norton	Coordinating Director
12. Samuel Ando-Owusu	Asst. Director I
13. S. T. Sackey	Accounts Officer
14. Peter Awidi	District Health Insurance Scheme
15. Peter Tweneboa-Kodua	Social Welfare Officer
16. Ofei Kumi	Town and Country Planning Officer
17. Bernard Tingura	Asst. Director IIB

Western Regional Coordinating Council

Name	Designation
1. Samuel Larbi	Budget Officer
2. Victor Yanney	Ghana Education Service
3. Emmanuel Nana Opoku	Ghana Statistical Service
4. J. A. Agyakwah	Town and Country Planning Officer
5. J. P. Atta	Regional Economic Planning Officer
6. Dr. Linda Vanotso	Ghana Health Service
7. Peter Essiam Asante	Regional Coordinating Council
8. Nancy L. Dzah	Regional Coordinating Council
9. Samuel Amihere	Regional Coordinating Council
10. David Yaro	Coordinating Director

Mpohor Wassa East District Assembly

Name	Designation
1. Francis Fiifi Yankey	Works Engineer
2. Elizabeth Brenya	Director of Agriculture
3. Audrey Smock Mensah	Planning Officer
4. S. A. Biney	Accounts Officer
5. James Asmah	Community Development Officer
6. Emmanuel Azuma	Internal Auditor
7. Ankomah Appiah	Ghana Education Service
8. Innocent Haligah	Coordinating Director
9. Mahama Sensau	Asst. Director IIB
10. Daniel Ankrah	National Service Personnel
11. S. E. Appartaim	Accounts Officer
12. Dorcas Sackey	Ghana Health Service
13. Anthony Bassaw	Chief Executive
14. Yakubu Adams	Engineer
15. M. A. K. Beku	Deputy Director, Ghana Education Service
16. Daniel Lamptey	Environmental Health Officer
17. Lydia Akaba	Revenue Officer
18. R. D. Ampiah	Finance Officer

Volta Regional Coordinating Council

Name

1. Ketteku Emmanuel
2. S. Y. Agu
3. Andrews Imoro
4. R. O. Otoo
5. Chris Amewu
6. McDamien Dedzo
7. Christian Fianu
8. M. K. Sedeafor
9. Oscar Ahianyio
10. V. K. Kligo
11. R. K. Amegashibi
12. B. B. K. Kornu
13. Cyril Necku
14. K. M. Fordjour

Designation

Director, Education
Regional Engineer, Public Works Dep't
Community Development Officer
Regional Manager, Feeder Roads Dep't
Representative, Statistical Service
Regional Director, Ghana Health Service
Regional Coordinating Council
Regional Accountant
Asst. Director
Regional Director, Town and Country Planning Dep't
Regional Economic Planning Officer
Budget Analyst
Regional Minister
Deputy Director, Extension-MoFA

Ho Municipal Assembly

Name

1. Sylvanus Plahar
2. Emmanuel Baidoo
3. Sena Nyanyovor
4. Paul Sewor
5. Jonathan Klu
6. B. A. Y. Adjorloko
7. Gilbert Kugblenu
8. Francis Sogbe

Designation

Asst. Director IIB
Statistics Officer
Social Welfare Officer
Municipal Water and Sanitation Team
Planning Officer
Coordinating Director
Budget Analyst
Finance Officer

South Dayi District Assembly

Name

1. Godwin Zakli
2. Emma Adom
3. Paul Tuo
4. Akosua Owusu
5. Kafui Bekui
6. Maxwell Gbakah
7. Robert Ameako
8. V. E. Adde
9. Seth Apawudza
10. Johnson Ahiatrogah
11. Benjamin Ayidzoe
12. Kuegbi Dormekpor

Designation

Planning Officer
Social Welfare Officer
Community Development Officer
Director, Ghana Health Service
Chief Executive
Administrator, Ghana Education Service
Town and Country Planning Officer
Budget Officer
Coordinating Director
Finance Officer
District Engineer
Director of Agriculture

Hohoe Municipal Assembly

Name

1. Obed Nutsugah
2. Lawrence Ankomah
3. E. A. Ashiagbor
4. Gilbert Tormekpe
5. Mensah-Aidemns David
6. Charles Konutse
7. Kwame Doe
8. Rejoice Katseku

Designation

1. Planning Officer
2. Budget Officer
3. Cooperatives Officer
4. Town Planning Officer
5. Finance Officer
6. Environmental Health Officer
7. Ghana Health Service
8. Community Development Officer

Eastern Regional Coordinating Council

Name

1. Olivia Opoku-Adomah
2. S. G. Abrokwa
3. S. Y. Antwi
4. A. K. Awity
5. F. K. Quist
6. E. E. Obiadie
7. K. Nartey
8. James Asante Baffoe
9. Peace U. Zu
10. Vera Akuffo-mante
11. James Kwapong
12. Kobina Abaka Ansah

Designation

1. Economic Planning Officer
2. Budget Officer
3. Director, Town and Country Planning Dep't
4. Planning Officer
5. Environmental Health Officer
6. Chief Local Government Inspector
7. Engineer, PWD
8. Asst. Director
9. Chief Protocol Officer
10. Asst. Director
11. Department of Women
12. Statistical Service

New Juaben Municipal Assembly

Name

1. Alex Asiamah
2. K. M. Offei
3. Adu-Owusu Yeboah
4. G. G. Ackah
5. John Donkor
6. Lucy Ofori Agyeman
7. Agyekumhene Adinkrah
8. Ridwan Kokroko
9. Kwaku Agbesi
10. Stella Panwum
11. Bechesani Demuyakor

Designation

1. Chief Executive
2. Coordinating Director
3. Asst. Director
4. Planning Officer
5. Budget Officer
6. Social Welfare Officer
7. PRS
8. Internal Auditor
9. Engineer
10. Asst. Director
11. Environmental Health Officer

APPENDIX V TERMS OF REFERENCE FOR STUDY