

# SPF Narrative Progress Report

Report period SECOND HALF

Contract Ref. No. 02/SPF/19/PUBLIC AGENDA

Organisation: COALITION FOR  
DECENTRALISATION – PUBLIC AGENDA

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Reporting Date :16/02/10

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Report Approved by \_\_\_\_\_

Signature & Date:



Signature & Date \_\_\_\_\_

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*Please do not write in green coloured sections; refer to notes at last page for explanations*

## **1. Project Outputs on research and advocacy and/or services delivered**

**List the outputs as you have presented in the workplan submitted to G-RAP.**

**Make sure that you:**

- **Indicate estimated levels of completion per output**
- **Indicate target groups that used/received the output delivered**
- **Attach copy of product output**

<b>Outline outputs during this period</b>	<b>What specific policy issues does this target</b>	<b>What advocacy output were informed by your research</b>
1. Study on Ghana fiscal/economic decentralisation	Promote evidence-base reflections on Ghana's decentralisation process	<ul style="list-style-type: none"><li>• information and reflections on various aspects of financing local economic development, their status and implications for the effective functioning of District Assemblies</li><li>• generated lessons and recommendations for policy makers, practitioners and other interested parties in local governance and</li><li>• and hoped to add to knowledge on decentralization and local governance in Ghana.</li></ul>
2. Development of MoU	Formalise the collaboration between ILGS and the Coalition for Ghana Decentralisation (led by Public Agenda)	
3. Paid rent for one year for office space	<b>Overheads</b>	<b>Overheads</b>
4. Recruitment of a programme officer	<b>Overheads</b>	<b>Overheads</b>

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## 2. What is the organisations success in undertaking this special project

It is early yet to critically evaluate the success of this special project however it is worthy of not that this project has provided a wealth of information that hopefully will expand the scope of knowledge on economic and fiscal decentralisation in Ghana.

### a. Gazetting Bye-Law Process of District Assemblies in Ghana and its Effects on Local Economic Development (LED)

Whereas guidelines exist for the disbursement of the DACF and other central government transfers to district assemblies, same cannot be said to exist for the mobilisation of Internally Generated Funds (IGF) as required by both Article 245 (b) of the 1992 Constitution and Section (86) of the Local Government Act. For these IGFs, District Assemblies are mandated to operationalize them by means of enacting the appropriate legislations. However there is the perception of difficulty in gazetting the bye-laws, the cost involved and its seemingly recentralised tendencies have contributed not only to the slow pace of development that can be witnessed in most districts but difficulty in the maintenance of law and order which forms part of the necessary pre-requisites for sound economic growth and development. The study investigated the bye-law making process of assemblies and the related issues. The study when completed will attempt a review of the bye-law making process of assemblies in Ghana.

### b. Overview of Economic Decentralisation and Innovative Resourcing Activities of Assemblies

Literature on decentralisation identifies three main economic functions of government namely allocation, distribution and stabilisation. The first function, allocation, deals with *what* goods and services to produce and *what* people are willing to buy or patronize. The allocation function is said to be best performed by the sub-national government, which is closer to the local level and therefore has the capacity to deliver the best decisions on the allocation and use of resources-capital, labour, land and technology. It is based on the premise that demands for many public services are not likely to be uniform across space and indeed welfare gains will be optimized if residents in different jurisdictions could choose the mix of public goods and taxes that best conform to their preferences. The concept is generally referred to as fiscal decentralization and defined as the devolution of taxing and spending powers to lower levels of government. The second and third functions are vested in the central government which is also best placed to redistribute resources from wealthier to poorer jurisdictions as well as securing macroeconomic stability. In an effort to deepen political, administrative and fiscal decentralisation in Ghana, the need for a fiscal decentralisation framework to outline a concise policy, strategy and implementation plan was identified. The Municipal Finance Bill has also been drafted to regulate how private capital and other innovative revenue sources could be harnessed to address this financing gap. In addition to this, there have been various donor-driven projects aimed at capacitating some selected Assemblies with innovative resourcing activities notably, GTZ; VNG LOGO South; DSDA; ILO and; GAIT. Many success stories have been cited but the issue of what has worked well vis-à-vis the legal, institutional and policy arrangements to achieve local economic empowerment have not been thoroughly investigated, documented as well as disseminated to facilitate learning and replication nationwide.

The aim of the research is to explore the adequacy and applicability of the established legal, institutional and policy arrangements that support innovative resourcing activities of MMDAs. The outcomes of the best

practices emanating from the innovative resourcing activities carried out in the case study assemblies are documented for learning and sharing.

### **c. Overview of Economic Decentralisation and Innovative Resourcing Activities of Assemblies**

Land plays an important part in the socio-economic development in Ghana. It contributes about 60 % of the GDP of the country. Out of this total contribution, the non-state sector (made up of individual, family and customary sectors) contribute about 80 %. Despite constitutional and statutory interventions in the administration of this sector, not much has been achieved in that regard. The management of stool lands has for long time been beset with many challenges including indeterminate boundaries of stool lands, poor record keeping which often results in multiple sales and chieftaincy disputes that invariably affect the security of tenure of purchasers and for that matter the productive use of land. Given the constitutional importance of stool lands, this research investigates the impact of stool land revenue in rural areas using Toase and Nkawie Stools of the Atwima Nwabiagya District of the Ashanti Region. To this end, the research assessed the performance of key stakeholders like the Stools, District Assembly and Office of the Administrator of Stool Lands (OASL) Regional Office.

### **d. Extent of preparedness of assemblies for utilization of district development facility: an initial consideration**

The district development facility (DDF), a performance based facility has been introduced to augment the resources that assemblies have for investment purposes. It is intended to serve other purposes beyond motivating assemblies to perform effectively. It also provides an element of harmonizing donor development funding that goes to a particular locality and perhaps reducing the multiple demands of monitoring, accounting and reporting. But to what extent are assemblies, local stakeholders, civil society, regional coordinating councils and even development partners prepared for this facility? Experiences with harmonized funding facilities suggest that accountable and transparent systems are required for their management. The study considered the extent of preparedness of assemblies for utilization of district development facility from the perspectives of local functionaries/civil servants who will be responsible for overseeing the implementation of such a facility.

## **3. Stakeholder Perception**

How has the credibility and legitimacy of your RAOs changed in the eyes of GoG and the Ghana public? What is your interpretation? Is there a reference to this evidence of change?

Over the past three years, Public Agenda has deepened its own advocacy efforts by organizing platforms to generate, analyze and publicize relevant information, particularly in relation to local governance, decentralization, social services (education) and natural resources. The results of these platforms/fora as well as commissioned research have been widely distributed to parliamentarians, district chief executives, development partners, other NGOs, key decision-makers, researchers, amongst others. Public Agenda has been supported in these activities by the Rights and Voice Initiative (RAVI), the German Technical Assistance Organization GTZ and recently, the Ghana Research and Advocacy Program (G-RAP).

Public Agenda has consistently (annually) engaged reputable auditing organisations like the Issifu Ali and co to audit our accounts and the appropriate tax liabilities duly honoured. By virtue of Public Agenda's legal standing and non partisan position on national issues, people in government respect the paper and respond to our publications and criticism with as deem fit. Public Agenda is believed to have lived according to its core values of being a voice for the voiceless.

#### 4. What is your perception on the general policy making environment in Ghana

Increasingly, the role of civil society organizations (such as the media and interest groups) and the private sector **and partnerships between public and private entities** is important for effective policy making. The learning, reflection and application of lessons is dependent on marshalling relevant information, encouraging multi-perspective analysis of that information, distilling the relevant lessons and packaging these for the consumption of key actors who can move the process forward.

The general policy making environment in Ghana has been anything but participatory. It is characterised by a top-down approach to policy making and that is why the recent national stakeholders conference aimed at obtaining input for the review of Ghana's local governance system and accelerate the country's decentralisation process is touted as a novelty as far as the country's decentralisation is concern. The review process provided an opportunity for all sections of the population, irrespective of education, gender, geographical location, political affiliation, employment, socio-economic status, religion as well as other distinctions to participate, to contribute and to feel that their issues have been taken into account; this enhanced the sense of ownership and recognition of the direction that is being taken in relation to decentralization.

#### 5. Grant and report related issues

##### 5.1 What issues do you wish to raise relating to the Grant or to G-RAP management?

The grant is fairly generous but lack the requisite capacity building exercises to guarantee the effective and efficient utilisation of the resources provided.

We are unable to report on the underlisted budget heads as we have committed the funds but we are yet to complete the activities:

##### COMMITTED/OUTSTANDING ACTIVITIES

a. Editing and review of research report	US\$1,000
b. One day non residential validation w/shop	US\$2,000
c. Printing/publishing of the report	US\$6,888
d. Launching and distribution of the report	<u>US\$1,510</u>
Sub-total	US\$11,398
e. Programme Dev't	US\$3,500
f. Dev't of 3 year strategic plan	US\$3,166
g. Website	<u>US\$1,700</u>
<b>Total</b>	<b><u>US\$19,764</u></b>

##### 5.2 What parts of the report are confidential or cannot be shared without prior consent?

I wish that my prior consent is sort before any part of this report is shared with third party.