

*IN THE FIRST SESSION OF THE FIFTH PARLIAMENT*

*OF THE*

*FOURTH REPUBLIC OF GHANA*

*REPORT OF THE COMMITTEE*

*ON*

*LOCAL GOVERNMENT AND RURAL DEVELOPMENT*

*ON THE*

*2010 ANNUAL BUDGET ESTIMATES OF THE*

*MINISTRY OF LOCAL GOVERNMENT AND  
RURAL DEVELOPMENT*

*9<sup>th</sup> December, 2009*

**REPORT OF THE COMMITTEE ON LOCAL GOVERNMENT AND RURAL DEVELOPMENT ON THE 2010 ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT**

**1.0 INTRODUCTION**

In accordance with Article 179 of the 1992 Constitution and Order 140 (1) & (2) of the Standing Orders of the House, the Hon. Minister for Finance, Dr. Kwabena Duffour on Wednesday, 18<sup>th</sup> November, 2009 laid before Parliament the Estimates of Revenue and Expenditure of the Government of Ghana for the 2010 Fiscal Year.

In accordance with Order 140 (4) of the Standing Orders, Madam Speaker referred the Draft Annual Estimates of the Ministry of Local Government and Rural Development to the Committee on Local Government & Rural Development for consideration and report.

The Committee met on Monday, 7<sup>th</sup> December and Tuesday 8<sup>th</sup> December, 2009 and considered the Annual Estimates of the Sector Ministry and in accordance with Article 179 of the Constitution and Orders 181 of the Standing Orders reports.

**2.0 ACKNOWLEDGEMENTS**

During the deliberations on the Estimates, the Committee met with the Sector Minister Hon. Joseph Yieleh Chireh, Heads of the various Departments, Agencies and Projects of the Ministry and Officials from the Ministry of Finance, who made valuable contributions on the estimates. The Committee is grateful to these persons for their invaluable contributions.

**3.0 REFERENCES**

In discussing the estimates, the Committee made reference to the following materials:

- a. The 1992 Constitution of the Republic of Ghana
- b. The Standing Orders of the House
- c. The Budget Statement and Economic Policy of the Government of Ghana for the 2010 financial year.
- d. The 2010 Draft Annual Estimates of the Ministry of Local Government and Rural Development. , and

- e. Report of the Committee on the 2009 Annual Estimates of the Ministry of Local Government and Rural Development.

#### 4.0 MISSION OF THE MINISTRY

The Ministry has the mandate to ensure good governance and the balanced development of Metropolitan, Municipal and District Assemblies (MMDAs) through the formulation of policies on governance, decentralization and rural development.

The Ministry also has the mandate to design and deliver systems that would set targets for and monitor the performance of these Assemblies. It has a further Mission to develop and monitor sector plans and the provision of management advisory services to the Assemblies.

#### 5.0 REVIEW OF 2009 BUDGETARY ALLOCATION

Under the year in review Parliament approved an amount of **One Hundred and Seventy Nine Million, One Hundred and Two Thousand, Five Hundred and Fifty-Two Ghana Cedis (GH¢ 179,102,552.00)** from a combination of GoG, Donor, HIPC and MDRI sources for the 2009 operations of the Ministry.

##### 2009 ALLOCATIONS AS REVIEWED

The breakdown of the Reviewed Budgetary Allocation for the Sector Ministry for the 2009 Financial Year is as indicated below in Table A:-

**Table A**

<i>ITEM</i>	<i>GOG GH¢</i>	<i>IGF GH¢</i>	<i>DONOR GH¢</i>	<i>TOTAL GH¢</i>
<i>PE</i>	<i>43,056,551.00</i>	<i>-</i>	<i>-</i>	<i>43,056,551.00</i>
<i>ADMIN</i>	<i>472,085.00</i>	<i>-</i>	<i>-</i>	<i>472,085.00</i>
<i>SERVICE</i>	<i>1,639,744.00</i>	<i>-</i>	<i>-</i>	<i>1,639,744.00</i>
<i>INVESTMENT</i>	<i>1,451,773.00</i>	<i>-</i>	<i>81,055,400.00</i>	<i>82,507,173.00</i>
<i>HIPC</i>	<i>41,427,000.00</i>	<i>-</i>	<i>-</i>	<i>41,427,000.00</i>
<i>MDRI</i>	<i>10,000,000.00</i>	<i>-</i>	<i>-</i>	<i>10,000,000.00</i>
<i>TOTAL</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>179,102,552.00</i>

## 6.0 ACTUAL EXPENDITURE AS AT 30<sup>th</sup> SEPTEMBER, 2009

During its deliberations the Committee noted that as at 30<sup>th</sup> September, 2009 the Sector Ministry had utilised a total amount of **One Hundred and Eleven Million Seven Hundred and Forty One Thousand Five Hundred and Fifty Two Ghana Cedis Thirty-Nine Pesewas( GH¢111,741,552.39)** for its operations. This amount represents approximately Sixty-Two percentage (62.39%) utilization of the actual approved sum in the budget of 2009.

The breakdown of the actual expenditure for the Sector Ministry for the 2009 Financial Year is as indicated in Table B below :-

**Table B**

<i>ITEM</i>	<i>Expenditure GH¢</i>	<i>% Utilization</i>
<i>P.E( GoG)</i>	<i>47,717,651.32</i>	<i>110.82</i>
<i>Admin(GoG)</i>	<i>708,818.59</i>	<i>150.14</i>
<i>Service(GoG)</i>	<i>858,013.60</i>	<i>52.32</i>
<i>Investment(GoG)</i>	<i>251,656.47</i>	<i>17.33</i>
<i>HIPC</i>	<i>32,877,519.69</i>	<i>79.37</i>
<i>DONOR</i>	<i>20,103,811.72(as at June 2009)</i>	<i>24.8</i>
<i>MDRI</i>	<i>9,224,081.00</i>	<i>92.2</i>
<i>TOTAL</i>	<i>111,741,552.39</i>	<i>62.39</i>

## 7.0 ACHIEVEMENTS IN 2009

Despite some of the problems which confronted the Ministry of Local Government and Rural Development in 2009 and the fact that the Ministry was unable to access the total approved sum for 2009, the Ministry reported that it had been able to chalk some successes. Some of the reported successes are as follows:

- a. The completion of stakeholder consultations on the review of Local Governance laws in the country.
- b. The endorsement of the District Development Fund (DDF) Operational Manual and the first disbursement of Funds to MMDAs on the basis of the 2006 assessment carried out in 2008.

- c. The completion and inauguration of a 3-storey office accommodation for the Local Government Service with the support from DANIDA.
- d. The initiation of the processes to establish District Works Department in 44 District Assemblies(DAs) as part of the integration of the 17 decentralized departments;
- e. The organization of Validation workshops on the Draft National Environmental Sanitation Strategy and Action Plan (NESSAPS) and District Environmental Sanitation and Action Plans (DESSAPS) in all the 10 regional capitals to help improve environmental sanitation and waste management in the various Districts.
- f. The completion of the automation of the Ashanti and Greater Accra Births & Deaths Registries for the capturing and transferring of information to Central Registry for the production of certificates with enhanced security;
- g. The Expansion of the Community Population Register Programme to five new communities in the Northern Region.
- h. The Transfer of vocational, technical and employable skills to 3,845 youth and the Training of 140 Technical Instructors on the new educational reforms for Technical and Vocational Education Training (TVET).
- i. The planting of 7,500 tree seedlings supplied to schools in the Eastern, Central, Western, Ashanti and Northern Regions for planting as part of efforts to combat the effects of global warming;
- j. The Establishment of the Ghana node of the Global Biodiversity Information Facility (GBIF) and documentation of 450 plant species out of 1,742 targeted plant species of Aburi Botanic Gardens.

## **8.0 THE 2010 DRAFT ANNUAL BUDGET ESTIMATES**

For the year 2010, it is the intention of the Ministry of Local Government and Rural Development to focus on the implementation of policies programmes and projects that would enhance local level development and the decision making at the local level.

A greater focus of the Ministry in the coming year would also be on the harmonization of the various laws and statutes impinging on local governance in the country.

To streamline its activities, the Ministry has increased its sector policy objectives from seven to nine. The three additional objectives are cross cutting objectives which will among others ensure that the ministry is able to deepen, institutionalize and internalize the formulation of policy, planning and monitoring and evaluation at all levels.

To carry out its activities in the year 2010 the Ministry has been allocated an amount of **Two Hundred and Thirty-Three Million Eight Hundred and Eleven Thousand Seven and Ninety –Nine Hundred Ghana Cedis (GH¢233,811,799.00)**.

This amount is made up of Seventy-Six Million Three Hundred and Sixty and Nineteen **Ghana Cedis (GH¢76,360,019.00)** from Government of Ghana (GoG) sources and Sixty-Nine Million Ghana Cedis (**GH¢69,000,000.00**) from HIPC sources.

The donor component of this budget is **Eighty-Eight Million Four Hundred and Fifty One Thousand Seven Hundred and Eighty Ghana Cedis (GH¢88,451,780.00)**.

#### **BREAKDOWN OF 2010 ALLOCATIONS**

The breakdown of the Budgetary Allocation for the Sector Ministry for the 2010 Financial Year is presented in the Table C as follows :-

**Table C: 2010 Proposed Expenditure Allocation by Cost Centre**

<i>NO</i>	<i>ITEM</i>	<i>ALLOCATION FOR 2010 IN GH¢</i>	<i>% OF TOTAL ALLOCATION</i>
<i>1</i>	<i>PE (GoG)</i>	<i>72,748,751.00</i>	<i>31.11</i>
<i>2</i>	<i>ADMINISTRATION (GoG)</i>	<i>660,918.00</i>	<i>0.30</i>
<i>3</i>	<i>SERVICE (GoG)</i>	<i>561,309.00</i>	<i>0.24</i>

<b>4</b>	<b>INVESTMENT</b>		
	<i>a. GoG</i>	2,389,040.00	
	<i>b. Donor</i>	88,451,780.00	
	<i>Total:</i>	<b>90,840,821.00</b>	<b>38.85</b>
<b>5.</b>	<b>HIPC</b>	<b>69,000,000.00</b>	<b>29.50</b>
	<b>TOTAL</b>	<b>233,811,799.00</b>	<b>100</b>

## **9.0 OUTLOOK FOR 2010**

### **9.1 Decentralization Secretariat**

The Decentralization Secretariat of the Ministry was established to ensure the execution and disbursement of the District Development Fund (DDF). This fund is a product of the National Decentralization Action Plan, which is aimed at improving local level service delivery. It is mainly funded by DANIDA, the European Union and Agence Française de Développement.

For the year 2010, the Secretariat will seek to review the DDF allocation formulae so as to facilitate the allocation and disbursement of funds relating to the 2008 performance assessment.

In that direction, the Secretariat will continue to facilitate the annual assessment process and ensure the carrying out of the 2009 performance assessment in 2010.

### **9.2 Local Government Service**

Established by the Local Government Service Act, 2003(Act 656), the Local Government Service exists to secure effective decentralization of professionals. In 2009 the Local Government Service Council was re-constituted and a substantive Head appointed.

In 2010 the Service hopes to support District Assemblies to establish departments including Human Resources Departments, District Works Departments and Environmental Management Departments.

The Service would also focus on approvals for staff ceiling and the recruitment of the requisite staff to ensure full operationalisation of the Secretariat of the Service.

### **9.3 Births and Deaths Registry**

The provision of accurate and reliable information on all births and deaths in Ghana is the core mandate of the Births and Deaths Registry. This mandate is executed through the registration and certification of births and deaths.

For the year 2010, the Registry plans to acquire high speed machines for all regional registration offices in the country. This would facilitate the execution of its recurring vision of improving registration coverage to 75% for births and 35% for deaths at the end of 2010.

### **9.4 Ghana School Feeding Programme**

This is an initiative which began in 2005 and has over the years been expanded to cover schools in all One hundred and Seventy Districts. The programme is jointly funded by the government and DANIDA.

For the year 2010, the programme hopes to focus on rural communities and rope in an additional 250, 000 pupils.

It also plans to mobilize farmer based organizations in rural communities to produce and sell to the programme. This would ensure wealth creation for the rural dweller and at the same time ensure that cost of feeding is reduced.

### **9.5 Department of Community Development**

The Department of Community Development was established to improve living standards among rural dwellers and vulnerable communities in urban centers.

The Department has in the year 2009 organized a series of workshops which has been targeted at improving the economic opportunities of women's groups leaders on entrepreneurial skills and income generating activities.

For the year 2010, the Department hopes to rehabilitate and upgrade some facilities in its technical and vocational institutions. It also hopes to introduce formal apprenticeship programmes in these institutions.



**9.6 Department of Parks and Gardens**

This Department has the core mandate to conserve, research and train in horticulture. For the year 2010, the department would focus on its mandate and ensure the rehabilitation of its property in Aburi.

It would also embark on staff recruitment to replace retired staff.

**9.7 Community Based Rural Development Project (CBRDP)**

This is a project which is aimed at reducing poverty and enhancing quality of life of beneficiary rural communities in all MMDAs. The project began in 2004 and is expected to end in June 2010. However, there are discussions to have the project extended since about 28 Million dollars of the project sum is yet to be disbursed.

For the year 2010 the project implementers hope to build the capacity of the 32 newly created MMDAs. The project also intends to support the office of the Controller and Accountant General to train personnel in the MMDAs in a new manual on the Financial Administration Act.

**9.8 Urban Environment Sanitation Project (UESP II)**

The project effectively began in 2004 and it covers the five cities of Accra, Tema, Sekondi-Takoradi, Kumasi and Tamale. It aims at improving urban living conditions with regard to environmental health sanitation, drainage and solid waste management in a sustainable fashion. The project is funded from Government of Ghana and donor sources.

In 2009 the project required matching funds from the Government of about 9.4 million Ghana Cedis to make progress with on-going project. However, requests to the Ministry of Finance through the Ministry of Local Government have not yielded positive results.

In 2010 the project would complete existing activities. It also intends to begin the construction of engineered landfill sites in Tema, Accra and Sekondi-Takoradi as soon as it is given approval.

9.9 **Urban Poverty Reduction Project (UPRP)**

The UPRP began in September 2006 and is expected to end in December 2011. The objective of the project is to contribute to the achievement of the nation's Millennium Development Goal of cutting poverty by 50% and giving help to persons who live on less than One dollar a day.

For 2010 the project aims to increase disbursement rates by 60% and to roll out a Social inclusion Transfer Scheme.

9.9 **Northern Region Poverty Reduction Programme (NORPREP)**

This is a project which is targeted at building capacity of District Assemblies in the Northern Region. It began in 2004 and will be completed by June 2010.

Due to the fact that so far the project has disbursed only 47.3% of the total sum of 12.3 million dollars, the project will in 2010 adopt a block allocation of resources and share the remaining sum to all districts in the northern region to undertake projects of their choice.

9.10 **Support for Decentralization Reform (SfDR)**

The SfDR is a technical co-operation between the Government of Ghana and the German Government through the German Development Agency (GTZ). It commenced in 2007 and will come to an end in 2013. The project is a 7 million Euro project. So far an amount of 3.9 million Euros has been expended.

It aims at supporting management systems at the local level for MMDAs in the Eastern, Brong-Ahafo and Ashanti Regions.

In 2010, the SfDR will among other projects support the Local Government Service Secretariat to integrate the decentralized Departments into the District Assemblies.

9.11 **Urban Management Land Information Systems (UMLIS)**

The UMLIS is a project which is funded by the Sweden International Development Agency (SIDA) and is aimed at providing land information database. The contract was signed in 2005 and is being piloted in the Ayawaso sub-metropolitan area.

The project should have ended in 2008 and it was extended to 2009. The project is currently looking for funding so that it can continue into the future.

## 10.0 OBSERVATIONS AND RECOMMENDATIONS

After careful deliberations, the Committee made some observations and recommendations to the Ministry of Local Government and Rural Development to guide it in the implementation of some of its 2010 programmes. The Committee would like to bring to the attention of the House some of these recommendations.

It is the hope of the Committee that these recommendations when adopted would go a long way to help the Ministry, its Departments and Agencies to achieve set goals and targets.

- a. The Committee noted that although for the year 2010 there is an increase of the total budgetary figure as compared to 2009, this increase does not affect the Service component of the budget.

The Committee therefore wishes to recommend to the Ministry of Finance to re-align the figures so as to ensure that major activities that have to be undertaken with the Service Budget would not be hampered. In the alternative the Committee recommends that the Ministry of Local Government should prioritize its service activities.

- b. It was observed that although the Ministry had requested for funds to equip and promote the newly created District Assemblies the allocation given to the Ministry for 2010 did not capture this request. The Committee realized that this would be a great challenge for the Ministry.

It is recommended to the Ministry of Finance and Economic Planning to as a matter of urgency make provisions for the newly created districts.

The Committee wishes also to urge the Ministry to use some of its allocation from HIPC sources for the newly created District Assemblies since any further delay in ensuring their setting up would affect the decentralization process.

- c. Regarding the sector policy objective of the Ministry, the Committee noted that one of the objectives of the Ministry is to promote a sustainable, spatially integrated and orderly development of human settlement to support socio-economic development.

To make this objective meaningful, the Committee was of the view that the Ministry should develop specific guidelines for MMDAs on the development of settlements nationwide. The Committee also recommends strongly that MMDAs should be encouraged to acquire and secure lands in developing settlements for future public use.

In the same direction the Committee is of the view that the Town and Country Planning Department should be decoupled from the Ministry of Environment and Science and placed under the Ministry of Local Government and Rural Development as a process of deepening the decentralization process through the integration of the Department.

- d. The Committee noted with concern that due to the huge waste management bills of some Metropolitan and Municipal Assemblies, the Ministry was unable to make any HIPC allocations for HIPC funded projects to MMDAs. The Committee finds this development unfortunate since it adversely affects MMDAs that are not facing the same challenge.

The Committee recommends that in 2010 the Ministry should design a formula for sharing the HIPC funds equitably so that MMDAs would earmark projects for the funds.

- e. Regarding the District Development Fund, the Committee noted that the Secretariat would soon be disbursing the second tranche of development and capacity building fund to MMDAs based on the assessment of their performance in 2008.

To ensure that the public participates fully in this laudable initiative, the Committee recommends that the performances of the MMDAs under the Functional Organizational Assessment Tool (FOAT) and the releases being made should be made public to encourage good management, leadership and transparency.

It came to light that DDF did not have effective monitoring team. The Committee recommends to the Secretariat to adopt measures that would ensure that Assemblies who have been granted allocation for development would route their

funding requests through the Regional Coordinating Directorates in order to strengthen their monitoring role.

The Local government inspectors should also be empowered to conduct pre-transactions auditing before expenditures are incurred.

- f. The Committee was unhappy with what appeared to be a continuous repetition of plans by the Births and Deaths Registry especially regarding its registration targets.

The Committee recommends that the Registry should develop alternative methods for registration to increase the national average.

It is also recommended that the Minister should take steps to apply for the retention of some Internally Generated Funds of the Registry so that this can be used to support projects.

As part of promoting the culture of registration of Births and Deaths, the Committee recommends that the Registry should greatly decentralize its operations and make its processes more accessible to the average Ghanaian.

- g. It came to light that the Dutch Government had restored its funding to the Ghana School Feeding programme. The Committee also noted that phase one of the programme is to end in 2010.

That being the case the Committee urges the Ministry to take steps to engage all stakeholders regarding what should be done with the programme pending the evaluation of the first phase.

The Committee also recommends that a programme be put in place as a matter of urgency to standardize and train caterers who cook for the beneficiary pupils.

It was also revealed that with the exception of two schools, the School Feeding Secretariat did not cater for children who take special diets.

In this direction the programme should also ensure that caterers cater for children with special diets.

- h. The Committee realized that the 25 educational institutions under the Department of Community Development were greatly under resourced and this was adversely affecting the progress of these institutions.

To avoid a total collapse of these institutions, the Committee recommends that the government should seriously consider approving some GETfund allocation to these institutions.

- i. It is worthy to note that the retention of Internally Generated Funds (IGF) of the Department of Parks and Gardens had been stopped since 1999. This, the Committee noted was negatively affecting the operations of the Department.

The Committee recommends that the Ministry should take steps to restore the retention of the IGF for the Department. The Committee also suggests that the Department should revive its growth and exportation of exotic flowers for revenue generation.

- j. The Committee was concerned about the fact that several of the donor funded projects were nearing completion and yet most of the funds had not been utilized.

The Committee wishes to recommend that efforts should be made by personnel in charge of these projects to work hard to increase disbursement rates to ensure that the benefits of these projects reach their intended beneficiaries.

- k. Regarding the implementation of the Urban Poverty Reduction Project (UPRP), it was revealed that MMDAS were showing little interest in the project and also finding it difficult to submit work plans and returns.

The Committee wishes to urge MMDAS to have great interest in the project and also ensure that work-plans and returns are submitted on time.

The Committee was also informed that the continual transfer of Planning Officers in the UPRP Districts to non UPRP Districts and vice versa slows down the implementation of the project.

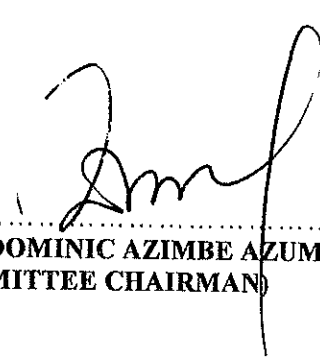
It is recommended to the Ministry to ensure that planning officers in the UPRP districts should be transferred to other UPRP districts in order to avoid the huge expenditure on training and retraining.

1. Regarding the problems and obstacles to the completion of the Kwabenya Landfill site which began in the 1990's, the Committee wishes to recommend to the Ministry to consider other waste disposal site options including Public-Private Partnership to establish a sorting, composting and recycling plant in the country as it pertains in other countries.


#### 11.0 CONCLUSION

Madam Speaker, the issue of an effective decentralized system cannot be over-emphasized in our country. Efforts should therefore be made to support and equip the main policy body for decentralization in the Country. It is in furtherance of an effective decentralized system of government that the Committee recommends to the House for approval the sum of **Two Hundred and Thirty-Three Million Eight Hundred and Eleven Thousand Seven Hundred and Ninety-Nine Ghana Cedis (GH¢233,811,799.00)** from a combination of GoG, Donor and HIPC sources for operations of the Ministry of Local Government and Rural Development for the financial year 2010

Respectfully submitted.



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HON. DOMINIC AZIMBE AZUMAH  
(COMMITTEE CHAIRMAN)



.....  
Ms. EVELYN BREFO-BOATENG  
(CLERK TO THE COMMITTEE)

9<sup>th</sup> DECEMBER, 2009