

**IN THE SECOND SESSION OF THE FIFTH
PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA**

REPORT OF THE

**COMMITTEE ON EMPLOYMENT, SOCIAL WELFARE
AND STATE ENTERPRISES**


ON THE

SAVANNAH ACCELERATED DEVELOPMENT AUTHORITY

BILL, 2010

JULY, 2010

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1.0 INTRODUCTION

In pursuance of Article 103 of the 1992 Constitution and Order 184 of the Standing Orders of the House, the Savannah Accelerated Development Authority (SADA) Bill was laid in the House on 3rd June 2010 and referred to the Committee on Employment, Social Welfare and State Enterprises for consideration and report. The Committee having executed its mandate in respect of the Bill reports as follows:

2.0 DELIBERATIONS

The Committee invited the general public and stakeholders to its deliberations. Memoranda and oral submissions were also received from interested individuals and stakeholders.

The Committee is grateful to the Minister of State at the Office of the President in-charge of Public Sector Reform, the interim SADA secretariat, the Draftsperson and the other stakeholders for providing the necessary inputs and clarifications during the examination of the Bill.

3.0 REFERENCES

The Committee relied on the following documents in finalizing its report:

- i. Background Note received from the Ministry of Public Sector Reform and the interim SADA secretariat.
- ii. Sustainable Development Initiative for the Northern Savannah Strategy and Work Plan, 2010-2030
- iii. State Lands Act, 1962 (Act 125)
- iv. State Property and Contract Act, 1960 (C.A. 6)

- v. Millennium Development Authority Act, 2006
- vi. Northern Development Fund Act, 2008, Act 768
- vii. Oral evidence taken on the Bill
- viii. Presentations and clarifications by stakeholders.
- ix. The 1992 Fourth Republican Constitution of Ghana
- x. The Standing Order of Parliament

4.0 BACKGROUND

The Fourth Republican Constitution under the Directive Principles of State policy article 36(2) (d)), enjoins the State to take necessary steps to establish a sound and healthy economy through undertaking of even and balanced development of all regions. This includes improvement of conditions of life in both rural and urban areas as well as ensuring balanced and equitable regional development.

The wide disparities between the north and the rest of the country have created conditions for social exclusion and a growing tendency for rural urban migration that distorts cohesive national development effort. Women and children who are the most vulnerable are particularly affected as many have migrated to the south to live under extremely squalid and risky conditions. Slow growth in the Northern Savannah sector has also delayed Ghana's achievement of the Millennium Development Goals and the attainment of a middle income status.

To address this developmental challenge, the Government enacted the Northern Development Fund Act, 2008, Act 768 to among other things provide financial resources to support the accelerated economic growth and sustainable development in Northern Ghana. However, the Act establishing the Fund did not provide for an Authority with a mandate to co-ordinate the developmental agenda of Northern Ghana. It has therefore become necessary to establish an Authority known as the Savannah Accelerated Development Authority (SADA) under this Bill to cure the defect in the Act.

It must be noted that the best way to address the chronic poverty and the development gap between the North and the South is through economic growth and social development utilizing the North's most abundant resources. Government is aware that economic growth is also the most efficient and effective means to address poverty and induce long term adaptation to climate change while maintaining the dignity of people in the northern savannah.

The strategy to be adapted will provide support for vigorous private sector initiatives to strengthen existing private operators and attract new investments in manufacturing, processing, transport and tourism services in northern parts of the country.

When passed, SADA would enhance the capacity of development planning and co-ordinate development management institutions to reduce regional inequalities in development and create synergies with Ghana's development vision. Furthermore, community based organizations, non-governmental organizations and indigenous private sector institutions will be strengthened to contribute towards sustainable economic growth and poverty reduction. The development gap between the northern and southern sectors of the country will be narrowed and the migration to the southern part of the country will be curbed.

5.0 PURPOSE AND OBJECT OF THE BILL

The purpose of the Bill is to establish a Savannah Accelerated Development Authority (SADA) which will plan, coordinate and facilitate implementation of a long term strategy and mobilize resources to support accelerated economic growth and sustainable development in the Northern Savannah belt. The Bill is also to create a Northern Savannah growth pole for Ghana as part of the national effort towards achieving sustainable and equitable spatial development and a middle income status. The Bill when passed to law will create conditions that will induce adaptation of the Northern Savannah to climatic change by mitigating the prolonged droughts and sporadic floods. It is also to provide support for the measures to minimize the effects of changes in the weather, accommodate persons affected by the changes

and the most vulnerable in society. Furthermore, the Bill seeks to reduce poverty, improve food security, promote social cohesion and secure lasting peace.

The main object of the Bill is to provide strategic planning guidance, define the priorities, mobilize and disburse financial, human and material resources for the accelerated development of a Northern Growth Pole for Ghana through expanding markets to the Sahel, modernizing agriculture, stimulating private sector investment, mitigating flood and environmental renewal and promoting social protection interventions. Resources and capacity building for the poor and marginalized will be applied to facilitate access to basic economic and social infrastructure by the poor and vulnerable. It is also to enhance accessibility to transitional measures to enable victims of disasters and displaced persons to join the productive sector, through food and livelihood security measures.

Strategic direction, human and financial resources will also be applied to strengthen community based organizations, non- governmental organizations, indigenous private sector institutions to undertake innovative partnerships and invest in creating jobs and growing the economy of northern Ghana.

6.0 DIVISIONS OF THE BILL

The Bill has four divisions which deal with the establishment, functions, and governance; administration and staff; finances; and miscellaneous provisions.

Clause 1 to 5 deals with the establishment of the Authority. Clause 1 establishes the Authority. Clause 2 provides for the object of the Authority and its relationship with the Northern Savannah Development Strategy. The functions of the Authority are provided for in clause 3. Clause 4 provides for the powers of the Authority. Clause 5 deals with the independence and autonomy of the Authority. Clause 6 provides for the governing body of the Authority. Clause 7 deals with functions of the Board.

Provisions on the tenure of office of members of the Board of the Authority, meetings of the Board, disclosure of interest, establishment of Committees, stakeholder coordinating committee, allowances of members of the Board, duties and liabilities of Board members and ministerial directives are provided for in Clause 8 to 15. Clause 12 establishes the stakeholder coordinating committee to foster co-operation with traditional rulers, Regional Coordinating Councils, District Assemblies, private sector associations and organized civil society groups.

Clause 16 and 17 provide for the administration and staff of the Authority. Clause 18 to 24 deals with financial provisions. Clause 18 deals with sources of funding. Clause 19 provides for the retention and utilization of internally generated funds. The power to contract loans is provided for in clause 20. Clause 21 deals with investment activities and income. The annual budget of the Authority is provided for in Clause 22. Clause 23 deals with exemption from taxes, duties and other charges. Accounts and audit are provided for in clause 24.

Finally, Clause 25 to 31 deals with miscellaneous provisions. These are inter- agency co-operation, incentives for private sector investment, public consultation and notification, annual reports, offences and penalties, regulations, interpretation repeals and savings.

7.0 OBSERVATIONS

The Committee had a clause- by-clause discussion of the Bill and observes as follows:

7.1 STRATEGY TO BRIDGE THE DEVELOPMENTAL GAP BETWEEN THE NORTH AND THE SOUTH

The Committee agreed that there is a serious and urgent need to bridge the developmental gap between the Northern Savannah Ecological Zone and the rest of the country. The Northern Savannah Ecological zone which comprises the Upper west, Upper East, the Northern Region and the districts contiguous to the northern

region that lie in the north of Brong Ahafo and north of the Volta regions are the poorest parts of the country. The developmental gap has occurred as a result of past policy failures and therefore needs urgent national attention. If the Northern Savannah had grown at the same rate as the rest of the country, per capita income would have been significantly higher and the country would have been closer to achieving the Millennium Development Goals by 2015.

The Committee was happy to observe that a comprehensive long term strategy and a master plan have been developed to guide the Savannah Accelerated Development Authority. Highlights of the strategy include:

- Reduction of poverty through sustained socio-economic growth;
- Growth in agriculture, tourism, mining;
- Development of a centre for harnessing Sahelian market;
- Measures to induce long term adaptation to climate change;
- Provision of transitional food and livelihoods security policies;
- A concept of "Forested and Green North"; and
- A Short term adaptation involving minimizing the effects of floods and droughts.

The Committee sees this as remarkable as the strategy contains programmes targeted at alleviating poverty and transforming of the North. In the opinion of the Committee addressing the development gap between the Northern Savannah and the rest of the country is necessary to ensure political, social and economic stability and growth in the country.

7.2 PEACE AND SECURITY

The Committee observed that the most noticeable challenge facing the North and likely to undermined the SADA Strategy is the issue of peace and security.

The Committee noted that persistent conflicts and lack of peace in some parts of the North have diverted attention from economic and productive issues. One of the reasons for lack of investments in the North has been attributed to the numerous conflicts in the Region. The North has become unattractive to business people

including indigenes who prefer to set up their businesses elsewhere for fear of losing their investment through conflicts. The North has therefore been associated with insecurity where public resources meant for development have been used for conflict resolutions and maintenance of peace.

The Committee views this development as unfortunate but was happy to note that the Authority when established will complement the efforts of all stakeholders in the peace building process to help bring lasting peace to the region. The strategy to do this, the Committee noted, is to tackle the conflict situation by building capacities and deepening the collective effort by civil society organizations and Government. However, a more sustained long term effort to bring about human security through rapid social and economic development will be pursued, thereby reducing poverty and minimizing the tensions that are associated with poverty, marginalization and exclusion of the most vulnerable in major decisions that affect their livelihoods.

7.3 UNSUSTAINABLE SOURCES OF FUNDING

The Committee observed that the Bill under Clause 18 listed various types of funding for the Authority. However, after careful deliberation, the Committee noted that the only source of funding that may be reliable to the Authority for its use is the seed money that will be allocated as a start up for the Authority. Although annual budgetary allocation will be made to the Authority, it is not a reliable funding source since it will depend on the availability of funds in the consolidated fund.

To cure this, the Bill in Clause 18(2) empowers the Minister of Finance to present "a financial sustainability plan" to Parliament within one year after the passage of the Bill. Although a laudable idea, the Committee is of the opinion that a definite revenue source must be incorporated in the Bill before it is passed.

The Committee therefore recommends that a levy be put on non-petroleum imports to provide regular source of funding for the Authority. This would in the long run enhance the financial sustainability of the Authority to enable it carry out its programmes and projects.

7.4 RELATIONSHIP BETWEEN THE AUTHORITY AND METROPOLITAN, MUNICIPAL, AND DISTRICT ASSEMBLIES (MMDA's)

The Committee raised concerns on how the Authority is going to relate with the Metropolitan, Municipal and District Assemblies and other existing developmental institutions in their areas of operations in the implementation of their programmes.

It was however, observed that the Savannah Accelerated Development Authority is not a district specific agency but rather has a general outlook. The Committee was assured that SADA, when established will not replace or substitute the functions of the local government authorities in its operational areas but rather it would complement their efforts in the national development agenda. The Committee further noted that the implementation of SADA programmes will be mainstreamed within existing institutions notably the Regional Co-coordinating Councils and the District Assemblies to avoid the creation of parallel institutions and duplication of functions and efforts.

The Committee having noted this unique character of SADA is therefore appealing to all MMDA's to co-operate with the Authority when established to enable it achieve its objectives.

7.5 INDEPENDENCE AND AUTONOMY OF THE AUTHORITY

The Committee holds the view that the aims and objectives of the Bill would not be achieved if the Authority is not given adequate power and insulated from undue political interference and unbridled politicization of its programmes.

The Committee therefore recommends that the Chief Executive Officer be appointed for a fixed term of four years and must be eligible for re-appointment.

The Committee further noted that one obstacle that has often hindered the success of any development initiative is politicization. The Committee was however assured that various political parties contributed to the development of the SADA initiative.

For instance, the Committee learnt that about 85% of the content of the Northern Development Fund Act, 2008 (Act 768) has been incorporated into this Bill. The Committee therefore appeal to all stakeholders to help insulate SADA from becoming a political tool.

It is believed that, when this is achieved the Authority will be confident to rigorously pursue the Northern Savannah Development agenda.

8.0 PROPOSED AMENDMENTS

In light of the above observations, the Committee proposes the following amendments. The list includes corrections made to typographical errors, omissions as well as redraft of some of the Clauses to give clarity to the provisions.

- i) **Clause 2- Amendment Proposed-** paragraph (a), line 2, after "formulation" *insert* "a coma"
- ii) **Clause 3- Amendment Proposed-** paragraph (c), line 2, *delete* "north" and *insert* "North"
- iii) **Clause 3- Amendment Proposed-** paragraph (d), *delete* "similar facility for the North" and *insert* "other risk finance instruments"
- iv) **Clause 3- Amendment Proposed-** paragraph (g), Line 1, *delete* "implement" and *insert* "facilitate"
- v) **Clause 3- Amendment Proposed-** paragraph (i), Line 1, *delete* "implement" and *insert* "facilitate"
- vi) **Clause 3- Amendment Proposed-**, paragraph (l), *delete* and *insert* the following "implement programmes to support mainstreaming of gender and other issues of vulnerability through co-operation with the Ministry responsible for Women and Children's Affairs, relevant ministries, other organization and civil society"
- vii) **Clause 3- Amendment Proposed-** paragraph (m), at the end of line 2, *insert* "Ecological Zone"

- viii) **Clause 3- Amendment Proposed-** paragraph (n), Line 2, *delete* "in a manner that" and *insert* "to" and also *delete* "ensures" and *insert* "ensure" and in Line 3, *delete* "being"
- ix) **Clause 6- Amendment Proposed-** paragraph (c), Line 1, after "authorities" *insert* "in the programme areas" and in Line 2, *delete* "Regional" and *insert* "National" and after "Chiefs" *delete* "in the programmed areas"
- x) **Clause 7- Amendment Proposed-**, *add* a new Sub-clause (2)
 "The Board has the responsibility to ensure the implementation of the functions of the Authority and the achievement of the objectives of the Authority"
- xi) **Clause 7- Amendment Proposed-***add* a new Sub-clause (3) "Without prejudice to Sub-clause (2) the Board shall,
- a) Approve annual operative plans and budget of the Authority
 - b) Review the quarterly performance of the Authority including statement of accounts of monies disbursed from the fund.
 - c) Ensure adequate accountability to the Stakeholders
 - d) Approve an audit plan and monitor its implementation; and seek the full implementation of the external auditors report within the specified time frame for actions and
 - e) Approve the remuneration of the staff of the Authority"
- xii) **Clause 7- Amendment Proposed-***add* a new Sub-clause (4) "The Board shall conduct reviews of the Savannah Development Strategy as determined by the Minister."
- xiii) **Clause 12- Amendment Proposed-** Add a new Sub-clause (1) as follows "
 The Committee shall serve as an advisory body to review plans and also provide stakeholder input into policies, programmes and projects of the Authority"
- xiv) **Clause 12- Amendment Proposed-** Sub-clause (2) paragraph (a) *delete* and *insert* "Five Regional Ministers in the participating regions, with each Regional Minister acting as a Chairperson and conveyor on rotation"

- xv) **Clause 12- Amendment Proposed**- Sub-clause (2), paragraph (c) line 3, *delete* "development initiative" and *insert* "Ecological Zone"
- xvi) **Clause 12- Amendment Proposed**-Sub-clause (2), paragraph (g) line 3, *delete* " Forum of Northern Ghanaians" and *insert* "Northern Development Forum"
- xvii) **Clause 12- Amendment Proposed**-Sub-clause (2) Paragraph (h),Line 1, *delete* "north" and *insert* "North" and Line 3, *delete* "and"
- xviii) **Clause 12- Amendment Proposed**-Sub-clause (2), paragraph (i) *delete* and *insert* a new paragraphs (i) and (j) as follows: "(i) three persons representing the University of Development Studies, research and other tertiary educational institutions in the programmed areas nominated by the Minister; and
(j) seven persons representing Members of Parliament five of whom shall be from the programmed area and two from other parts of the country"
- xix) **Clause 12- Amendment Proposed**-Sub-clause (4) *delete* and *insert* the following "Representatives from other relevant Ministries, Departments and Agencies may be co-opted as ex-officio members"
- xx) **Clause 15- Amendment Proposed**- *add* a new sub-clause (2) as follows:
"the directives shall be consistent with the Northern Savannah Development Strategy"
- xxi) **Clause 16- Amendment Proposed**- Sub-clause (1), Line 2 after "Executive" *insert* "Officer" and also after "Authority" *insert* "for a term not exceeding four years"
- xxii) **Clause 16- Amendment Proposed**-Sub-clause (2), Line 1, after "Executive" *insert* "Officer"
- xxiii) **Clause 16- Amendment Proposed**-Sub-clause (3), Line 1, after "Executive" *insert* "Officer"
- xxiv) **Clause 16- Amendment Proposed**- *Add* a new Sub-clause (4) as follows
"The Chief Executive Officer is eligible for re-appointment"