

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

**REPORT OF THE FINANCE COMMITTEE
ON THE DANISH GRANT AGREEMENT OF DKK 50.2 MILLION
(US\$7.12 MILLION) FOR THE FINANCING OF THE DANISH
PROJECT OF SUPPORT TO DISTRICT ASSEMBLIES (DSDA II)**

1.0 INTRODUCTION

The above-mentioned Grant Agreement was laid in the House on Wednesday 8th December, 1999 and referred to the Finance Committee for consideration and report pursuant to Article 181 (2) of the Constitution and Standing Order 171 (1).

The Committee subsequently met with the Deputy Minister of Local Government and Rural Development Hon. Francis Korbieh and his technical officers to consider the Agreement and hereby reports:

2.0 BACKGROUND INFORMATION

As part of Training and District Assemblies Capacity Building initiatives, the Governments of Ghana and Denmark represented by the Ministry of Local Government and Rural Development and the Royal Danish Embassy in Accra, respectively, jointly implemented a Pilot District Capacity Building Project to Support Four (4) District Assemblies namely Lawra, Nadowli, Akatsi and Hohoe between 1997

and 1998. This project was funded with a Danish Grant equivalent of US\$485,000.00 and directly administered by the Royal Danish Embassy.

As a result of the overall positive evaluation of the project outputs reflecting in improvements in the performance of the four (4) District Assemblies, the two Governments agreed to extend the programme to cover among others all the seventeen (17) District Assemblies in the Upper West and Volta Regions in a second project code named; Danish Support for District Assemblies (DSDA II).

3.0 PURPOSE OF THE GRANT FACILITY

The purpose of the grant facility under consideration is to finance a project entitled, Danish Support to District Assemblies (DSDA II).

3.1 Project Beneficiaries

- (a) All the seventeen (17) District Assemblies in the Volta and Upper West Regions of Ghana;
- (b) The Regional Planning Co-ordination units of the RCCs of the Volta and Upper West Regions, (RCC and RPCUs);
- (c) The National Association of Local Authorities of Ghana (NALAG); and
- (d) The Ministry of Local Government and Rural Development (MLGRD)

3.2 Programme Budget

<u>ITEMS /SUB ITEMS</u>	<u>COST</u> <u>(MILLION DKK)</u>
• MLGRD	0.8
• NALAG	0.4
• Regional Level (RCC and RPCUs)	1.2
• District and Sub-district level (District Assemblies, Town Councils and Unit Committees):	14.1
• District Economic Fund	14.9
• Study Programme	1.0
• Local Consultants	0.9
• Co-ordination Secretariat	4.1
• Internal and External Audit of District Assemblies:	1.0
• <u>Unallocated Funds</u>	<u>6.5</u>
Sub Total	45.6
• <u>Contingencies (10%)</u>	<u>4.6</u>
GRAND TOTAL	50.2 (US\$7.12 million)

4.1 Overall Objectives

To contribute towards improving the living standards of the population in the programme districts through sustainable decentralised participatory development, enhancement on the economies of the beneficiary districts, strengthening management of resources, and promotion of small and medium enterprises, with the special focus on the needs of women's activities.

4.2 Intermediate Objective

To enhance the management efficiency and increase accountability, transparency and cost-effectiveness of the district assemblies.

4.3 Immediate Objective

To upgrade planning and budgeting skills through the establishment of effective databases and training for the preparation and implementation of annual action plans and budgets at the district level.

5.0 OBSERVATIONS

- The committee was informed that the mechanisms expected to be established under the project will be disseminated through appropriate manuals and policy guidelines for possible replication by District Assemblies in Ghana.

- The Committee was also informed that a Co-ordination Secretariat to facilitate programme implementation and co-ordination has been set up and would be manned by a consortium of local consultancy firms already selected. Funds however will be released to and directly managed by the respective project beneficiaries.
- It was observed that Government of Ghana's obligation under the project is to provide staff and regular normal budgetary allocations to the project beneficiary institutions.
- The Committee also observed that under the Agreement, the Government of Ghana shall secure a timely importation and clearance of goods covered by the Agreement. Thus the Grant shall not be used for payment of any import duty tax, national or other public charges in connection with the importation of goods for the project. A list of the materials to be exempted is yet to be submitted. The Committee would therefore consider the tax exemption when it receives the requested list.

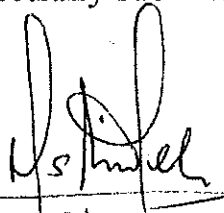
RECOMEMNDATION

The Committee wishes to recommend to the House for approval:

The Grant Agreement of **DKK 50.2 Million (US\$7.12 Million)**

for the financing of the Danish Project of support to District Assemblies (DSDAI) in accordance with Article 181 (5) of the Constitution Loans Act, 1970 Act 335.

Respectfully submitted.



**HON. CDRE S.G. OBIMPEH (RTD)
CHAIRMAN**

PARLIAMENT OF GHANA LIBRARY
PARLIAMENT HOUSE
OSU - ACCRA



**ASANTE AMOAKO-ATTA
CLERK TO THE COMMITTEE**
15 DECEMBER, 1999