

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

**REPORT OF THE COMMITTEE ON LOCAL GOVERNMENT  
AND RURAL DEVELOPMENT**

**ON THE**

**2024 BUDGET ESTIMATES OF THE LOCAL GOVERNMENT,  
DECENTRALISATION AND RURAL DEVELOPMENT**

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**REPORT OF THE COMMITTEE ON LOCAL GOVERNMENT AND  
RURAL DEVELOPMENT ON THE 2024 ANNUAL BUDGET  
ESTIMATES OF THE MINISTRY OF LOCAL GOVERNMENT,  
DECENTRALISATION AND RURAL DEVELOPMENT**

**1.0 INTRODUCTION**

1.1 Pursuant to Article 179 of the Constitution and Order 140(1) and (2) of the Standing Orders of the House, the Minister for Finance, Mr Ken Ofori-Atta on Wednesday, 15<sup>th</sup> November, 2023 presented the Budget Statement and Economic Policy of the Government of Ghana for the 2024 Financial Year to the House.

1.2 In accordance with Orders 140(4) and 181 of the Standing Orders of the House, the Rt Hon Speaker referred the 2024 Draft Annual Estimates of the Ministry of Local Government, Decentralisation and Rural Development to the Committee on Local Government and Rural Development for consideration and report.

1.3 The Committee met on Thursday, 14<sup>th</sup> December, 2023 and considered the Estimates of the Ministry. Present at the meeting were the Hon Minister, Mr Daniel Botwe, the Hon Minister of State, Mr Osei Bonsu Amoah, and the Deputy Ministers, Mr Collins Ntim and Mr Martin Adjei Mensah Korsah. Other officials in attendance were Directors and Heads of agencies under the Ministry. The Committee is grateful for their assistance.

**2.0 REFERENCE DOCUMENTS**

2.1 In considering the Estimates, the Committee relied on the following documents:

- i. The 1992 Constitution;
- ii. The Standing Orders of Parliament;

- iii. The Budget Statement and Economic Policy of the Government of Ghana for the 2023 Fiscal Year;
- iv. The Budget Statement and Economic Policy of the Government of Ghana for the 2024 Fiscal Year;
- v. The Medium-Term Expenditure Framework (MTEF) for 2022-2025-Programme Based Budget Estimates for the Ministry of Local Government, Decentralisation and Rural Development for 2023;
- vi. The Medium-Term Expenditure Framework (MTEF) for 2024-2027-Programme Based Budget Estimates for the Ministry of Local Government, Decentralisation and Rural Development for 2024; and
- vii. Report of the Committee on Local Government and Rural Development on the 2023 Annual Budget Estimates of the Ministry of Local Government, Decentralisation and Rural Development.

### **3.0 VISION OF THE MINISTRY**

- 3.1 The Ministry exists to ensure good governance, equitable and balanced development at the local level through the promotion of good governance of urban and rural communities, formulation of policies and plans, coordination, monitoring and evaluation of programmes using highly trained and motivated staff with the adoption of appropriate technology for national development.

### **4.0 AGENCIES UNDER THE MINISTRY**

- i. Local Government Service
- ii. Office of the Administrator of District Assemblies Common Fund
- iii. Institute of Local Government Studies
- iv. Births and Deaths Registry
- v. Department of Parks and Gardens
- vi. Inter-Ministerial Coordinating Committee on Decentralisation

- vii. Department of Community Development
- viii. Land Use and Spatial Planning Authority

## **5.0 POLICY OBJECTIVES**

5.1 The policy objectives of the Ministry as contained in the National Medium-Term Development Policy Framework (NMTDPF) are as follows:

- i. Improve public investment;
- ii. Improve population management;
- iii. Promote resilient urban development;
- iv. Improve decentralised planning;
- v. Deepen political and administrative decentralisation;
- vi. Improve the institutional capacity for effective human capital development;
- vii. Improve popular participation at regional and district levels;
- viii. Enhance the quality of life in rural areas;
- ix. Enhance capacity for policy formulation and coordination;
- x. Strengthen fiscal decentralisation;
- xi. Strengthen the coordinating and administrative functions of the Regions;
- xii. Ensure responsive governance and citizens' participation in the development dialogue and
- xiii. Ensure effective implementation of the decentralisation policy and programmes.

## **6.0 CORE FUNCTIONS**

6.1 The core functions of the Ministry:

- i. Design, monitor and evaluate policies, programmes and projects to reform local governments;

- ii. Formulate policies for the installation of effective decentralised public administration system at the Regional, District and Sub-District level;
- iii. Promote efficiency in local administration;
- iv. Facilitate the registration of births and deaths to provide the statistical basis for development planning;
- v. Advise Government on matters affecting local governance;
- vi. Conduct organisational and job analysis for Regional Coordinating Councils (RCCs) and Metropolitan Municipal and District Assemblies (MMDAs);
- vii. Promote orderly development of human settlements in urban and rural areas;
- viii. Facilitate accelerated rural development and
- ix. Facilitate the allocation of resources for local level development.

## **7.0 PERFORMANCE REVIEW FOR 2023 AND OUTLOOK FOR 2024**

### **2023 Budget Allocation To The Ministry**

7.1 An amount of **Two Billion, Seventy-Four Million, Three Hundred and Twenty-Three Thousand, Four Hundred and Forty-Eight Ghana Cedis (GHC2,074,323,448)** was allocated to the Ministry and its agencies for the 2023 Fiscal Year. The breakdown of the allocation is shown in Table 1 below.

Table 1 – Budget Allocations for 2023 by Sources and Expenditure Items

ITEM	FUND SOURCES					
	GoG (GHC)	IGF (GHC)	DP Funds (GHC)	ABFA (GHC)	Total (GHC)	%
Compensation	951,732,024	2,000,000	-	-	953,732,024	46.0
Goods & Services	28,690,337	4,844,277	355,774,310	-	389,308,924	18.8
Capex	120,954,600	2,333,975	570,593,925	37,400,000	731,282,500	35.2
<b>Total</b>	<b>1,101,376,961</b>	<b>9,178,252</b>	<b>926,368,235</b>	<b>37,400,000</b>	<b>2,074,323,448</b>	
%	53.1	0.40	44.7	1.8		100

Source: 2023 Budget Statement and Economic Policy of the Government of Ghana

## Expenditure and Releases for the Revised Budget for 2023

7.2 The breakdown of the Ministry's revised Budget Allocation, Releases and Actual Expenditures as at September, 2023 is provided in Table 2 below.

Table 2 – Revised Budget, Releases and Actual Expenditures as at September, 2023

Item	Allocation (GHC)	Revised Budget (GHC)	Releases (GHC)	Actual Expenditure (GHC)	Difference b/n Revised and Actuals (GHC)	Percentage of Revised Budget Released (%)
	(A)	(B)	(C)	(D)	(B-D)	$[(B-C)/C] \times 100\%$
Compensation	953,732,024	1,858,225,822	1,379,641,942.21	1,379,641,942.21	478,583,879.79	34.69
Goods and Services	389,308,924	396,940,899	224,404,100.10	170,697,676.61	226,243,222.39	76.89
CAPEX	731,282,500	728,948,525	273,858,627	165,182,698.41	563,765,826.59	166.18
<b>TOTAL</b>	<b>2,074,323,448</b>	<b>2,984,115,246</b>	<b>1,877,904,669.44</b>	<b>1,715,522,317.23</b>	<b>1,268,592,928.77</b>	<b>58.91</b>

Source: Ministry's presentation, 2023

### Performance for 2023 and Outlook for 2024

- 7.3 The Ministry completed the integration of the District Performance Assessment Tool (DPAT) and the Local-Based Information System in Climate Adaptation (LISA) into the District Development Data Platform (DDDP) to improve data management and reporting at the local level. The User Accessibility Test (UAT) for DPAT on DDDP was also undertaken in all the 261 MMDAs.
- 7.4 In 2024, the Ministry will continue the operationalisation and integration of other modules/systems on the District Development Data Platform.
- 7.5 To deepen decentralisation, the Ministry transferred a total amount of **GHC184,220,095.00** from the District Assembly Common Fund – Response Factor Grant (DACF-RFG) to the 261 MMDAs to fund DPAT VI sub-projects and conducted DPAT VII performance assessment. The Local Economic Development (LED) Practitioner’s Manual was finalised to promote a conducive environment at MMDA level for sustained local business growth, decent employment opportunities, and economic empowerment at the local level.
- 7.6 In 2024, the Ministry will conduct DPAT VIII performance assessment for the 261 MMDAs.
- 7.7 The Department of Parks and Gardens (DPG) maintained a total area of 1,154,500m<sup>2</sup> in some major cities/towns across the Country to promote landscape development. About 289,200 seedlings were raised and supplied to the public and institutions across the Country. Another 8,885 trees were planted across the Country as part of the horticultural sensitisation programme aligned to climate change adaptation.

- 7.8 In 2024, the Department will continue the landscape beautification of road medians to 13,000m<sup>2</sup> for urban and peri-urban communities and maintain a total landscaped area of 2,300,000m<sup>2</sup>. The Department will also propagate 550,000 seedlings for sale and for landscape projects, and plant and maintain 20,000 trees across the Country.
- 7.9 The Ministry, through the participating Municipal Assemblies under the Ghana Secondary Cities Support Programme (GSCSP), constructed 9 urban markets, 12.60kms of storm drain and 3 urban transport terminals. The Ministry in addition, constructed an industrial estate and business advisory centre among others, in order to improve urban management and basic urban service deliveries.
- 7.10 In 2024, the Ministry will continue the implementation of the remaining projects under the GSCSP for all urban infrastructure projects, including markets, transport terminals, industrial parks, roads, and storm drains.
- 7.11 The Ministry, under the Ghana Productive Safety Net Project (GPSNP) II, supported 14,324 beneficiaries through the productive inclusion component to implement 529 sub-projects, comprising community plantations, feeder roads and small earth dams. The project also supported 8,064 Labour Intensive Public Works (LIPW) and provided 25,426 unskilled labour force with indirect jobs.
- 7.12 In 2024, the Ministry will continue the implementation of GPSNP II and that is expected to employ additional 15,046 beneficiaries under the productive inclusion component and another 34,574 unskilled labour force under the LIPW component.



7.13 The Births and Deaths Registry registered 470,423 births and 39,148 deaths, and sensitised 4,200 stakeholders on the Registration of Births and Deaths Act, 2020 (Act 1027).

7.14 In 2024, the Registry expects to register an estimated 730,426 births and 140,566 deaths and sensitise about 16,000 stakeholders on the Registration of Births and Deaths Act, 2020 (Act 1027) and the Registration of Births and Deaths Regulations, 2021 (L.I. 2436). In addition, the Registry intends to digitise 18,000 manual registers under the Public Sector Reform for Results Project (PSRRP) to aid in expediting the extractions and replication of all manual registration data on the electronic system.

## **8.0 2024 BUDGET ALLOCATION**

8.1 Per the Budget Statement and Economic Policy of the Government of Ghana for the 2024 Fiscal Year, the Ministry has been allocated a total amount of **Two Billion, Six Hundred and Six Million, Seven Hundred and Forty-One Thousand, Nine Hundred and Five Ghana Cedis (GHC2,606,741,905.00)**. The breakdown of allocation and the sources of funding are provided in Table 3 below.

Table 3 – Budget Allocation for 2024 by Sources of Fund and Expenditure Items

ITEM	FUND SOURCES					
	GoG (GH¢)	IGF (GH¢)	DP Funds (GH¢)	ABFA (GH¢)	Total (GH¢)	%
Compensation	1,866,545,44 3	3,000,000	-	-	1,869,545,443	71.72
Goods & Services	48,758,088	13,868,64 2	607,769,732	-	670,396,462	26.00
Capex	65,800,000	1,000,000	-	-	66,800,000	2.56
Total	1,981,103,53 1	17,868,64 2	607,769,732	-	2,606,741,905	
%	75.99	0.69	23.32	-		100

Source: 2024 Budget Statement and Economic Policy of the Government of Ghana

## 9.0 OBSERVATIONS AND RECOMMENDATIONS

### Compensation

9.1 The Committee noted a very significant upward revision in the approved Budget allocation for “**Compensation**” in the year 2023. The compensation vote increased by 194.84 per cent, indicating a rise from an amount of GH¢953,732,024 to GH¢1,858,225,822. The Committee was informed by officials from the Ministry that the revision was mainly as a result of promotions and upgrading of staff, and the 20 per cent salary increment for staff of the Civil and Local Government Services.

### CAPEX

9.2 The Committee observed that the allocation for CAPEX in the 2024 Annual Budget Statement and Economic Policy of the Government of Ghana for the

2024 Fiscal Year was GH¢65,800,000. However, the CAPEX allocation in the Programme-Based Budget Estimates of the Ministry was GH¢271,600,000. The Ministry explained that the increase in the allocation was occasioned by a discussion with the Ministry of Finance on the need to continue with some ongoing capital expenditure projects in the newly created Regions and some other existing ones.

- 9.3 The Committee recommends that the Ministry of Finance ensures adequate releases in respect of the CAPEX Vote for the completion of all the projects earmarked to be undertaken in 2024.

*Table 4 – 2024 Budget Estimates of the Ministry of Local Government, Decentralisation and Rural Development*

ITEM	FUND SOURCES					
	GoG (GH¢)	IGF (GH¢)	DP Funds (GH¢)	ABFA (GH¢)	Total (GH¢)	%
Compensation	1,866,545,443	3,000,000	-	-	1,869,545,443	66.47
Goods & Services	48,758,088	13,868,642	607,769,732	-	670,396,462	24
Capex	271,600,000	1,000,000	-	-	272,600,000	9.7
<b>Total</b>	<b>2,186,903,531</b>	<b>17,868,642</b>	<b>607,769,732</b>	<b>-</b>	<b>2,812,541,905</b>	
%	77.75	0.64	21.61	-		100

*Source: The Medium-Term Expenditure Framework (MTEF) for 2024-2027-Programme Based Budget Estimate for the Ministry of Local Government, Decentralisation and Rural Development for 2024 .*

### **IGF Retention Rate and Releases**

- 9.4 It was noted that the agencies under the Ministry did not receive all their IGF retentions as expected within the 2023 Fiscal Year, and therefore, could not cater for some of their needs under Goods and Services. Out of an amount of GH¢12,476,252 allocated from IGF source in the revised Budget for Goods and Services, GH¢8,170,295.08, which translates into approximately 65.5 per cent, had been released as at September 2023.
- 9.5 The Committee finds the situation unacceptable and urges the Ministry of Finance to ensure that all IGF under Goods and Services are released to the agencies before the close of the year to enable them cater for their operational needs under Goods and Services for 2023.
- 9.6 The Committee recommends to the House to direct the Ministry of Finance to revert to the 33 per cent IGF Retention provided by the Law, to ameliorate the financial situation of the Registry.

### **Local Government Service**

- 9.7 The Committee observed that MMDAs needed some professionals such as fiscal planning officers to enable them function effectively.
- 9.8 The Committee was informed the Local Government Service has applied and expects to receive financial clearance in 2024, to enable it employ about 2,500 staff that will consist of fiscal planning officers, other professionals, and other categories of staff, to meet the staffing needs of MMDAs.

## **The Development Authorities**

- 9.9 The Committee noted that about 3,000 projects initiated by the various Development Authorities which are at different stages of completion have been abandoned. The Committee was informed that the project are currently under the Office of the President.
- 9.10 The Committee recommends that the projects be transferred to the various assemblies where they are situated, and the assemblies resourced to ensure continuity and successful completion of the projects.

## **Head Office Building for the Births and Deaths Registry**

- 9.11 The Committee observed with concern that the IGF allocation for the Births and Deaths Registry has been capped at 33 per cent instead of the 50 per cent despite its financial challenges. The Registration of Births and Deaths Act, 2020 (Act 1027) provides in Section 14 that the Registry shall retain 50 per cent of its IGF. The Committee considers the reduction unacceptable and urges the Ministry of Finance to ensure the full release of the IGF of the Registry by the close of the year to enable it function as expected.
- 9.12 The Births and Deaths Registry is temporarily headquartered in a building belonging to the National Association of Local Authorities of Ghana (NALAG). The Registry was expected to have commenced construction of its own Headquarters at the beginning of the year, 2023, with support from the District Assemblies Common Fund (DACF). The Registry, however, could not start the project because Government is yet to provide land.

- 9.13 The Data Recovery Site is also currently housed by the Ghana Institute of Local Government Studies due to issues concerning accommodation and this affects the ability of the Registry to create a reliable back-up data for easy retrieval of information.
- 9.14 The Committee recommends that Government acts expeditiously in identifying the appropriated land for the construction of the Headquarters building to ensure that the Birth and Death Registry performs optimally as required.

#### **Institute of Local Government Studies**

- 9.15 The Committee was informed of ongoing discussions with the Administrator of the District Assemblies Common Fund (DACF) to earmark funds for the recruitment of dedicated teaching staff to provide training for all staff of the Local Government Service and other public sector institutions.
- 9.16 The Committee applauds the initiative and recommends that the Institute expediate action for the realisation of the objective. In the opinion of the Committee, this initiative would help the Institute attract more students and invariably increase its IGF.

#### **Department of Parks and Gardens**

- 9.17 The Committee was informed that the Department of Parks and Gardens has a total staff strength of about 514 with ages ranging mostly between 45 to 50 years, which implies that most of its workers would retire in the next 10 years.
- 9.18 The Committee bemoans the situation and calls for approval from the Ministry of Finance to recruit more professional hands. The Committee also recommends

that some of the field work of the Department of Parks and Gardens be outsourced to private entities with supervision by the professional staff of the Department.

9.19 The Committee noted that although most of the lands belonging to the Department have been encroached upon by some individuals, private and government entities, the Department has been able to register all of the remaining lands. It, however, requires funds to fence them to prevent further encroachment.

9.20 The Committee lauds the Department for the initiative and urges the Ministry of Finance to provide the Department with adequate funds that would enable it fence all the properties.

9.21 The Committee was further informed that the current status of the Department does not provide it with the authority required to issue certifications for all landscaping activities in the Country. It is the view of the Committee that if the Department is elevated to a regulatory body, it would have the capacity to issue certifications for all landscaping activities in the Country and charge fees to generate more IGF to support its operations.

9.22 The Committee, therefore, recommends that the Ministry of Local Government, Decentralisation and Rural Development assists the Department to review its laws to be upgraded a regulatory body.

### **Department of Community Development**

9.23 The Committee noted that most of the schools under the Department of Community Development have been hived off the Ministry of Local Government, Decentralisation and Rural Department (MLGDRD) and transferred to the Ministry of Education. What remains of the Department is

the Rural Development Collage at Kwaso and Community Development Vocational Training Institutes.

9.24 The Committee was also informed that the institutes that were hived off still draw their salaries and other emoluments from the budget of the MLGDRD.

9.25 The Committee recommends that necessary steps be taken to transfer the emoluments of the institutions hived off to the Ministry of Education.

#### **Metropolitan, Municipal and District Assemblies (MMDAs)**

9.26 The Committee was further informed that very soon a flow chart with a demonstration of the procedure for applying for building permits will be displayed at the premises of all the assemblies, to facilitate clientele services. The Committee was also assured that the chart will make it easier for people to follow-up and seek redress on issues related to permits, if need be.

#### **Land Use and Spatial Plainning Authority**

9.27 The Committee noted the important role played by the Land Use and Spatial Plainning Authority including the preparation of the inventory and validation of local plans, Spatial Development Frameworks and redevelopment of Land Use Planning and Management Systems. The Goods and Services and CAPEX votes of the Authority for the year 2024 is GHC5,643365.00 and GHC 800,000.00 respectively. Considering the role of the Authority in resolving the numerous land issues in the country, the Committee is of the view that the 2024 budgetary allocations to the Authority is woefully inadequate.



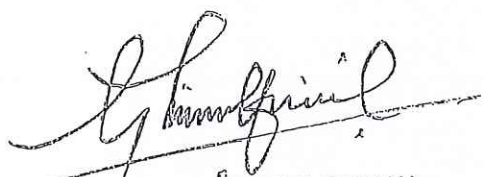
9.28 The Committee recommends that the Ministry of Finance makes provision for additional funds for the Authority in the supplementary Budget to enable it perform as expected.

## 10.0 CONCLUSION

The Committee reiterates that an amount of Two Billion, Six Hundred and Six Million, Seven Hundred and Forty-One Thousand, Nine Hundred and Five Ghana Cedis (GH¢2,606,741,905.00) is what was contained in the Budget Statement and Economic Policy of the Government of Ghana for the 2024 Fiscal Year, as the total Budget allocation to the Ministry of Local Government, Decentralisation and Rural Development and its departments and agencies for the 2024 Fiscal Year.

The Committee would like to again state that during the Budget Hearing, it was informed that the **Ministry of Finance had increased the Budget allocation of the Ministry to Two Billion, Eight Hundred and Twelve Million, Five Hundred and Forty-One Thousand, Nine Hundred and Five Ghana Cedis (GH¢2,812,541,905.00)**, and this is the amount the Committee recommends to the House for approval, consequent to the adoption of its report.

Respectfully submitted.



**HON EMMANUEL AKWASI GYAMFI**  
CHAIRMAN, COMMITTEE ON LOCAL  
GOVERNMENT AND RURAL  
DEVELOPMENT



**ANITA QUARTEY-PAPAFIO**  
CLERK, COMMITTEE ON LOCAL  
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DEVELOPMENT

DECEMBER, 2023