



**Integration of Ghana
Local Authorities in the European Cooperation
Programming Process
2021-2027**

**COMPENDIUM
Of Key Reference Documents**



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**INTEGRATION OF NATIONAL ASSOCIATION OF
LOCAL AUTHORITIES OF GHANA IN THE
EUROPEAN COOPERATION PROGRAMMING
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**National Association of Local
Governments of Ghana (NALAG)**



A COMPENDIUM OF KEY REFERENCE DOCUMENTS

1. INTRODUCTION

The EU has elaborated a new financial and cooperation instrument called Neighbourhood, Development, and International Cooperation Instrument (NDICI). This instrument, yet to be finally adopted, is meant to simplify the definition and implementation of EU cooperation, using a unique financial framework covering all EU external cooperation to replace the different and overlapping instruments developed over the years. This instrument is funded by the EU Budget on a multiannual basis (2021/2027) and replaces the former European Development Fund previously financed by EU member states outside the EU annual budget. This compendium provides a summary of relevant policy documents in relation to National Development Policy and Strategies; National Decentralisation Policy; and European Union Cooperation. This information will serve as background document that will serve for the preparation of a national seminar gathering all the members of the national association of local authorities.

The methodology for this compendium consisted of reviewing existing documents which largely included technical reports, documents, policies, laws, and other relevant works on Ghana's National Development Policy and Strategies, and decentralisation policies. This includes the 1992 constitution of the Republic of Ghana, the Coordinated Programme of Economic and Social Development Policies (2017-2024), Local Governance Act, 2016 (Act 936), decentralisation policies from 2010 to 2020. A number of sectoral documents including education, gender, employment, agriculture, among others were reviewed. With respect to the EU Cooperation documents, emphasis was placed on the NIP of the 11th EDF and the pre-programming exercise of the European Union and foreseen sector of priority for the EU Cooperation (2021/2027). Several other academic literatures from reputable journals and relevant information from the internet were useful in doing this write up.

The general message in this review is that, local governments are significant in the attainment of development that have positive impact on the livelihood of all citizens. Therefore, the central government should not only transfer functions to them but local government but sufficient financial resources should follow these functions and empowerment of local governments.

ABBREVIATIONS / ACRONYMS

ACP	African, Caribbean and Pacific countries
CPESDP	Coordinated Programme of Economic and Social Development Policies
DACF	District Assemblies Common Fund
DPs	Development Partners
DIP	District Industrialization Programme
EDF	European Development Fund
EPA	Economic Partnership Agreement
GPRS	Poverty Reduction Strategy
GoG	Government of Ghana
GSGDA	Ghana Shared Growth and Development Agenda
MMDA	Metropolitan, Municipal and District Assemblies
MMDCs	Metropolitan, Municipal and District Chief Executives
MTDF	Medium-Term Development Framework
NALAG	National Association of Local Authorities of Ghana
NDPC	National Development Planning Commission
NPP	National Democratic Congress
NIP	National Indicative Programme/Country Strategy Paper
ODA	Official Development Assistance
OCTs	Overseas Countries and Territories
PFJ	Planting for Food and Jobs
PFM	Public Financial Management
PNDC	Provisional National Defence Council
1D1F	One District One Factory
1V1D	One Village One Dam
1R1DP	One region One Industrial Park

2. NATIONAL DEVELOPMENT POLICY AND STRATEGIES

2.1 The Coordinated Programme of Economic & Social Development Policies (2017-2024).

It is imperative to briefly state that before the adoption of the Coordinated Programme of Economic and Social Development Policies (CPESDP), several national policy frameworks were formulated and implemented over the years. Among these are the various national development plans running through the post-independence era to the current era. Others include the Economic Recovery Program (Phase I, 1983–89; and Phase II, 1987–89), the Vision 2020, Poverty Reduction Strategy (GPRS) I (2003–05) & II (2006–09), the Ghana Shared Growth and Development Agenda (GSGDA) I (2010–13) & II (2014–17), and currently the CPESDP (2017-2024). All these national level policies are aimed at bringing development to Ghana especially to the local people.

The Coordinated Programme of Economic and Social Development Policies (CPESDP) defines the goals and aspirations for national development for 2017-2024 and outlines strategies as well as specific initiatives that will help achieve the stated vision, together with the means of implementation, monitoring and evaluation. In the context of achieving a just and free society, as prescribed by the 1992 Constitution of Ghana. The four key goals to be pursued in the CPESDP, in this regard, are: build a prosperous country; create opportunities for all Ghanaians; safeguarding the natural environment and ensuring a resilient built environment; and maintaining a stable, united and safe country.

The CPESDP also proposed that the new direction for national development during the Programme period is to create the conditions for the Ghanaian private sector to propel growth and create ample employment opportunities, especially for the youth. Whereas the private sector is essential and considered as the engine of growth, the role of local government in promoting the private sector to thrive is uncontested. Local governments (MMDAs in Ghana) are essential to the provision of the enabling environment. Of course, the private sector is not responsible for the provision of roads, water, reliable, energy, among others. Meanwhile these are the facilities that will help the private sector to thrive. Essentially, all development is local and therefore local governments must be resourced and giving the required power to perform their functions to the fullest.

2.2 Medium Term Development Framework (2018-2021)

The current development plan in Ghana is the medium-term development framework (MTDF) (2018-2021) which outlines medium term priorities of the CPESDP (2017-2024). This plan, plus a number of key development initiatives reflects Ghana's desire and commitment to transform its economy for accelerated job creation and poverty reduction. These development

plans and initiatives will be underpinned by the “Ghana Beyond Aid” vision to change mind-sets of Ghanaians towards increased reliance on internal resources plus private investment to lead economic transformation. The MTDF focuses on five broad thematic areas namely; (i) economic development, (ii) social, (iii) environment and infrastructure, (iv) governance and, (v) international relations, to optimise key sources of growth and enhance the economy’s resilience to shocks by focusing on transformation and value addition in agriculture and industry.

2.3 Government Special Initiatives

In addition to the MTDF (2018-2021) and following the adoption of the CPESDP, several national flagship initiatives have been developed and are at various stages of implementation. These include one district one factory (1D1F), Planting for Food and Jobs (PFJ), One Village One Dam (1V1D), One region One Industrial Park (1R1DP), among others. The Government of Ghana is pursuing the 1D1F initiative through Public-Private Partnerships under which, at least one medium-to-large scale industrial enterprise will be established in each District. This initiative also referred to as the District Industrialization Programme (DIP), is aimed at utilising and harnessing local resources, to enhance local economies and provide jobs and reduce poverty at the local level, through the establishment of an institutional framework, that will attract private sector investments at the local level. It also seeks to promote local participation in economic development and encourages new community-based public/private partnerships.

Similarly, the One Region One Industrial Park aims to develop effective industrial land banks acquisition and security systems at national, regional and district levels to facilitate easy zones/enclave planning for industrial development and also to promote spatial distribution of industrial development for job creation in order to achieve reduction in poverty and income inequalities. It also seeks to encourage industrial cluster formations for networking and spill over effects. Local governments have a great responsibility to play in the successful implementation of the 1D1F and One Region One Industrial Park as they are crucial in the provision of the enabling that will help the private sector in the pursuit of this initiative. It is however unfortunate that the attention has been so much on the private sector to the neglect of the critical that can be played by local governments.

The PFJ is aimed at stimulating food production and generating income for farmers. The Government of Ghana believes agriculture provides the best opportunity to turn around the economic fortunes of the country and change the lives of many people, especially those in rural areas. In addition, job creation is one of the important objectives of the government and improving agricultural productivity is one of the sure ways to increase employment and improve income of

rural dwellers. Under PFJ program, farmers are provided with improved seeds, fertilizers, dedicated extension services, marketing strategies, and access to e-agriculture technology. This policy is championed by the Ministry of Agriculture and local level Agric departments. The involvement of local governments is crucial for the success of this policy and should be considered as such.

The 'One Village, One Dam' initiative intends to reduce farmers' dependency on weather and ensure year-round farming. The initiative is expected to be implemented in the Upper West, Upper East, Savanna, North East and Northern Regions, to ensure availability of water for all-year farming. The successful implementation of 'One Village, One Dam' will improve food security and income of farmers in the three northern regions.

3. NATIONAL SECTORAL PLANS POLICIES AND STRATEGIES

3.1 National Health Policy (2020)

The Government of Ghana recognises that Ghanaians have to be healthy if the country is to make meaningful progress in nation building, and, thereby, deliver dignified standards of living for all. This development aspirations are consistent and perfectly aligned with the realisation of the seventeen (17) United Nations Sustainable Development Goals (Agenda 2030), which seek to build a world that is just, equitable and all-embracing, with the desired end results being inclusive economic growth, social development and environmental protection for all, without discrimination.

One of the guiding principles in the National Health Policy is decentralisation. This guiding principle states that the policy recognizes that implementation of Government policies and intervention is at the local government level. To this end, the implementation of the National Health Policy will focus on improved collaboration with, and increased ownership and commitment of the local government sector and sub-structures to ensure no one is left behind in the attainment of good health.

The National Health Policy also listed the following the roles of MMDAs in the implementation of the policy: Strengthen the healthcare delivery system to be resilient; encourage the adoption of healthy lifestyles; improve the physical environment; improve the socio-economic status of the population; and ensure sustainable financing for health. The policy places responsibility on MMDAs to own and drive a nationwide intervene, design and implement the policy in their respective jurisdictions. It is envisaged that all stakeholders, at all levels, including political actors, shall be guided by the tenets of this Policy, and provide the needed leadership and support for its implementation for current and successive governments.

3.2 The Education Strategic Plan (2010 – 2020)

The aim of this policy is to ensure that education makes a positive and permanent contribution to Ghana's development plans and to achieving the international development goals. The Education Strategic Plan 2010 – 2020 (ESP) spells out the strategies of the government for the education sector over the next decade. Hitherto, basic and second cycle education has largely been centrally managed with most decisions under the direct control of the Ministry of Education and implemented through the Ghana Education Service (GES).

However, the ESP 2010-2020 indicates that education decision making and implementation will increasingly become the responsibility of local government (District Assemblies) and to some extent the institutions themselves, especially schools, with local community oversight through School Management Committees (SMC) in basic education and Boards of Governors (BoG) in the second cycle. The policy recognises the critical roles Metropolitan, Municipal and District Assemblies (MMDAs) must play in the implementation of the policy, and especially at the school level.

3.3 National Gender Policy (2015)

Gender Equality and Women Empowerment are strategies for reducing poverty levels, social injustices among women and men, improving health standards and enhancing efficiency of public and private sector investments and domestic finance. Thus, achieving gender equality is regarded as the attainment of human rights and a pre-requisite for sustainable development. Ghana's goals towards achieving gender equality targets are guided by its commitment to International Instruments, the 1992 Constitution and national development frameworks. Specifically, Article 17(1) and (2) of the 1992 Constitution guarantees gender equality and freedom of women and men, girls and boys from discrimination on the basis of social or economic status among others.

The overarching goal of the National Gender Policy is to mainstream gender equality concerns into the national development processes by improving the social, legal, civic, political, economic and socio-cultural conditions of the people of Ghana particularly women, girls, children, the vulnerable and people with special needs; persons with disability and the marginalized. In this policy, various stakeholders are expected to play a critical role in attaining the objectives set in the policy. One key agency to the attainment of the goals outline in this policy is the MMDAs. The following roles will be played by the MMDAs according to the National Gender Policy.

- Will play a vital role in the successful implementation of the National Gender Policy (NGP) as they are the main machinery for the implementation, monitoring and evaluation of action plans at the district and community levels.
- Gather, collate, analyse and disseminate gender and poverty desegregated information at the district level.
- Identify relevant and pertinent gender issues for incorporation into annual district, sector and national plans.
- Initiate policies and legislation to promote gender equity and mainstream gender concerns at the district level.
- Develop and implement programmes to reduce gender inequity at the district level.
- Develop and implement programmes to reduce poverty at the district level.
- Monitor and ensure implementation of the NGP and the Child and Family Welfare Policies through the decentralized departments, Non-Governmental Organisations (NGO) and Development Partners.

3.4 Ghana Industrial Policy

This Policy is set within the context of Ghana's long-term strategic vision of achieving middle income status by 2020, through transformation into an industry-driven economy capable of delivering decent jobs with widespread, equitable and sustainable growth and development. The Policy provides clear and transparent guidelines for the implementation of Government's industrial development agenda, with particular respect to the growth, diversification, upgrading and competitiveness of Ghana's manufacturing sector.

In order to become competitive in the global and domestic market, Ghanaian manufacturers must be able to offer high quality products, processes and services, and be empowered to effectively engage in competitive trade and take advantage of opportunities to expand and retain market share. Ghana's Industrial Policy is designed to promote increased competitiveness and enhanced industrial production, with increased employment and prosperity for all Ghanaians. It will also provide a broader range of fair-priced, better quality products for the domestic and international markets. The key development objectives of the Industrial Policy are:

- To expand productive employment in the manufacturing sector
- To expand technological capacity in the manufacturing sector
- To promote agro-based industrial development

- To promote spatial distribution of industries in order to achieve reduction in poverty and income inequalities

3.5 Investing for Food and Jobs: An Agenda for Transforming Ghana's Agriculture

The agricultural sector, a key to the national development agenda, is expected to lead the growth and structural transformation of the economy and maximise the benefits of accelerated growth. Significant improvements in the productivity of the agricultural sector are required to raise the average real incomes of Ghanaians as a whole. The food and agriculture sector also has direct impact on the attainment of at least five of the Sustainable Development Goals (SDGs).

The investing for food and jobs: an agenda for transforming Ghana's agriculture (2018-2021) has been developed in line with global (SDGs), continental (CAADP-Malabo) and regional (ECOWAP) development frameworks. The Malabo declaration targets government expenditure allocation of at least 10% of the annual national budget to the agricultural sector, and a resultant AgGDP growth of at least 6% per annum within the plan period. It also, together with the ECOWAP provides an integrated framework to support agricultural growth, rural development and food & nutrition security in Africa.

The plan will be implemented within the decentralisation framework which makes use of the existing structures of MDAs at the national level, RCCs and MMDAs at the decentralised levels. Particularly, the District Agricultural Departments are expected to: understand the agricultural aspects of the NMTDPF together with this plan; incorporate relevant aspects into the district assembly composite plan; and also convince the district authorities why priority should be given to planned agricultural activities.

3.6 Ghana National Climate Change Policy

Climate change is a global challenge that requires a concerted effort by all nations. The National Climate Change Policy (NCCP) is Ghana's integrated response to climate change. It has been prepared and designed within the context of national sustainable development priorities; it provides a clearly defined pathway for dealing with the challenges of climate change within the current socio-economic context of Ghana, and looks ahead to the opportunities and benefits of a green economy.

There is already evidence of the direct manifestations of climate change in Ghana, i.e., increasing temperatures; rainfall variability, including unpredictable extreme events; and sea-level rise. These manifestations affect various facets of Ghana's socio-economic structure, especially with its high reliance on sectors that are particularly sensitive to climate change — agriculture,

forestry and energy production. The Government of Ghana recognizes that climate change must be mainstreamed into policies and sectoral activities to achieve sustainable growth. The NCCP recognizes that the human impact of climate change falls, for the most part, on the poor, and – very often – on women and children, the aged and the physically challenged. As such, social protection and social safety nets to smooth out inequities and building a more cohesive society are vital for climate resilience and national development.

One of the guiding principles of the NCCP is the principle of subsidiarity in order to ensure participatory decision-making at the lowest appropriate level in society. This clearly reflects the view that to implement this NCCP, the role of MMDAs are crucial as the final implementation rest o their shoulders. The actions and inactions of MMDAs are imperative to achieving the vision of the NCCP.

3.7 National Employment Policy (2014)

In recent times, the issues of unemployment and under-employment have featured prominently on both the global and domestic scenes as serious developmental challenges that require immediate, concerted and collaborative efforts to tackle. Government has recognised the threats that unemployment and under-employment pose to national stability, economic growth and development, and has shown commitment to its obligation to provide decent work for all its citizens, as enshrined in the 1992 Constitution of the Republic of Ghana.

The National Employment Policy (NEP) has been developed in pursuance of government's commitment to coordinate and address employment issues in a harmonious manner and to adopt an evidence-based approach. The Policy is expected to guide programme/project implementation towards the achievement of set targets and development outcomes in employment generation and decent work. The goal of the NEP is to create gainful and decent employment opportunities for the growing labour force to improve their living conditions and contribute to economic growth and national development within the framework of equity, fairness, security and dignity.

The MLGRD will ensure that MMDAs take appropriate measures to implement policy interventions in this NEP that, are relevant to them. Specifically, the MLGRD will ensure that development activities and investments of the MMDAs take account of productive employment and income generation. The MMDAs will ensure that a favourable business environment is created in their jurisdictions in order to attract the private sector to invest in productive sectors of the local economy to promote employment. The MLGRD will further ensure, through facilitation of the implementation of policies and strategies contained in this NEP, that the transformation of the

rural economy through farm and non-farm activities and value-added industrial processes is supported with adequate local incentives, infrastructure and business support services. The MMDAs will be encouraged to apply Labour-intensive Public Works techniques where feasible.

3.8 Ghana National Urban Policy (2012)

Urban development is now high on the state's agenda leading to the development a national urban policy in 2011/12. The policy recognizes the centrality of effective MMDAs for city management in positioning cities as future engines of growth and poverty reduction. The goal of the policy is to contribute to arresting rising inequalities in socio-economic and spatial terms and advance towards sustainable development. The policy thus calls for initiatives to strengthen urban governance for instance by resourcing the decentralized structures and sub-structures to make them effective in local governance in line with the policy recommendations contained in the new Decentralization Policy Framework and its Action Plan. It is thus imperative for stakeholders to support in building the capacities of MMDAs to perform urban management functions under the decentralization policy as outlined in the provisions of the Local Governance Act, 2016 (Act 936) and the National Development Planning (Systems) Act, 1994 (Act 480).

3.9 Ghana Rural Development Policy (2018)

Rural development efforts in Ghana have been constrained by the absence of a comprehensive Rural Development Policy and effective sectoral coordination. To address these concerns the MLGRD led a process to formulate a Rural Development Policy intended to provide the requisite direction and focus. The Policy aims at improving standards of living in rural Ghana through inclusive approaches, with emphasis on agriculture and industrialization. The Rural Development Policy offers a coordinated and inclusive developmental approach to improving services for Ghana's rural areas.

The policy seeks to deepen Ghana's growing decentralization programme. In view of this, the implementation arrangements and frameworks seek to involve stakeholders at all levels - national, regional and district - to ensure an inclusive and collective effort towards improved and well-coordinated rural development interventions. The responsibility for the implementation of this policy rest fully with MMDAs. Indeed, the policy states "MMDAs shall have the full responsibility for the implementation of the policy within the framework of decentralization provisions" (p.22). A District Rural Development Technical Committee shall be established under the DPCU and responsible for implementation of the Action Plan of the Policy by incorporating it into their MTDPs and annual action plans.

4. NATIONAL DECENTRALISATION POLICY

4.1 Overview of the State of Decentralisation in Ghana

Decentralisation in Ghana pre-dates independence as chiefs and community leaders managed various communities. During the British colonial era, Ghana was divided into four territories (i) the Gold Coast, comprising mainly people living along the coastline; (ii) the Ashantis comprising people living in the interior; (iii) Protectorate Northern territory; and (iv) British Togoland, a former German colony (Awortwi, 2011). These administrative territories were managed separately until 1946, when the British government ruled them as a single state.

Since Ghana attained independence, previous governments have embraced decentralization because they considered it as an essential condition for not only the socio-economic development of the country but also as a way of achieving their political objectives. Despite this preoccupation, the progress of decentralization in the early post-independence was slow and most habitually resorted to mere recentralisation. For instance, Kwame Nkrumah's government (1957-1966) anticipating that decentralisation can promote divisive tendencies, stimulated centralization of power in the nation's capital. It has also emerged that Nkrumah's government resorted to fragmentation of decentralised units as a way of weakening them (Ayee, 2008).

Whereas decentralisation has a long history in Ghana, the 1980s was a phenomena. In 1981, president Flt Lt Rawlings announced that 'power will not be concentrated at the top anymore' (Yeebo, 1985). A year later, the government came up with an 11-point decentralization plan intended to reform the state-local relationship and promote democracy, grassroots institutional empowerment for local self-governance, and greater government efficiency. The first reform undertaken by the regime was administrative decentralization with the aim of increasing government efficiency and effectiveness. It therefore transferred many government ministries functions to local governments to improve planning and execution of projects (Crook and Manor, 1998). Thus 86 functions, including preparation and submission of development plans, resource mobilization, provision of basic social infrastructure services among others, were transferred to local governments.

In 1988, the government launched a three-tier local government system that included some elements of political decentralization. Thus, during this period, Ghana's decentralisation combined elements of administrative, political, and fiscal decentralisation. Ghana's decentralisation policy aims to (i) promote popular participation in the decision-making process; (ii) promote responsive governance at the local level; and (iii) enhance efficiency and effectiveness of the entire government machinery, through a system of reforming the institutions responsible for service delivery and make to be closer and accountable to the people (Ayee, 2008).

In this system, elections to district assemblies were to be on an individual, not political party, basis. Moreover, chiefs and traditional authorities were not allowed to be involved in politics. As a result, the PNDC Law 207 made local governments the highest political and administrative authority at the local level and responsible for the overall development of local areas. Similarly, instead of allowing assembly members (local councillors) to elect Metropolitan, Municipal and District Chief Executives (MMDCEs), they were rather appointed by the central government. Therefore, whereas this was hailed as the game changer in Ghana's decentralisation, it failed to implement political decentralisation (Awortwi, 2011).

Until 1994, fiscal decentralisation was very minimal in Ghana's decentralisation system and financial allocations to local governments were based on the discretion of the ministry of local government. Thus, before then and especially in 1990 the central government allowed district assemblies to collect some taxes which was previously collected by the internal revenue service and shared to all the districts based on a formula set by the ministry of local government (Awortwi, 2011). This was replaced in 1994 by a mandate in the constitution for central government to transfer 5 percent (called district assemblies common fund) of the total national revenue to district assemblies for local development. Following the implementation of this constitutional requirement, an independent common fund administrator was appointed to develop a formula for sharing out the fund (Awortwi, 2011; Awortwi, 2003).

Several attempts to implement political decentralisation were either abandoned or not successful. For instance, the PNDC feeling insured, considered political decentralization premature and so it also abandoned political decentralization. Similarly, the ruling NPP government made attempt to implement political decentralisation where Metropolitan, Municipal and District Chief Executives were to be elected by the electorates. However, the idea received severe opposition by civil society groups and the NDC, hence it was abandoned. The opposition was not merely on the basis that Metropolitan, Municipal and District Chief Executives were be elected but the politicisation of the elections where candidates will contest election on the basis of political parties.

4.2 The 1992 Constitution of Ghana

Chapter 20 of the 1992 constitution is titled Decentralisation and Local Government. Article 240(1) provides that Ghana shall have a system of local government and administration which shall, as far as practicable, be decentralized. Similarly, Article 240(2a to e) clearly stated the features of the local government system and that fact that parliament shall enact appropriate laws to ensure that functions, powers, responsibilities and resources are at all times transferred from

the Central Government to local government units in a co-ordinated manner. This clearly means that not only are functions, power and responsibilities transferred to local government but also transfer of adequate resources to them to carry out the functions that have been bestowed on them. Indeed, Article 240(2c) states “*there shall be established for each local government unit a sound financial base with adequate and reliable sources of revenue*”

Chapter six of the 1992 constitution, Directive Principles of State Policy” and specifically Article 36(2d) pontificates that “undertaking even and balanced development of all regions and every part of each region of Ghana, and, in particular, improving the conditions of life in the rural areas, and generally, redressing any imbalance in development between the rural and the urban areas”. Similarly, Article 35(6d) emphasises on making democracy a reality by decentralising the administrative and financial machinery of government to the regions and districts and by affording all possible opportunities to the people to participate in decision making at every level in national life and in government.

The Constitution goes further in Article 252(1) for the setting up of the District Assemblies Common Fund (DACF) and in Article 252(2-3) the allocation of not less than 5% of the total revenues of Ghana, to be distributed among all the District Assemblies on the basis of a formula approved by Parliament.

4.3 Local Governance Act, 2016 (Act 936)

It is important to emphasise that there was a previous local government act, 1993 (Act 462) which was later replaced in 2016. The Local Governance Act, 2016 (Act 936) recognises MMDAs (local governments in Ghana) as the highest political authority. Article 12 (1 to 5) of the Local Governance Act, 2016 (Act 936) specifies copiously and comprehensively the functions of the local governments in Ghana.

A critical look at these functions gives an impression that most of the responsibilities for the development of Ghana rest with the local government authorities. Local governments are therefore considered as critical in the development architecture of Ghana. Therefore, the Act in Article 124 specifies the revenues of local governments to include (a) decentralised transfers; (b) internally generated funds; and (c) donations and grants. This is obviously good as functions must be followed by resources in order for development to be realised at the local level.

The Local Governance Act 2016 also confers on MMDAs a clear mandate to promote popular participation in planning and implementation through the establishment of structures for stakeholder participation in development planning and monitoring. MMDAs are also expected to

promote the inclusion and integration of minorities and marginalised groups in economic development.

Other legislative instrument relating to local government include Civil Service Law 1993 (PNDCL 327); District Assemblies' Common Fund Act 1993 (Act 455), National Development Planning (System) Act 1994 (Act 479); National Development Planning Commission Act 1994 (Act 480); Institute of Local Government Studies Act 2003 (Act 647); Local Government (Departments of District Assemblies) Commencement Instrument 2009 (LI 1961).

4.4 National Decentralisation Policies

The Decentralisation sector is a key sector with significant implications for the development of Ghana. As a result, the Government of Ghana (GoG) and Development Partners (DPs) have consistently showed keen interest in the progress of the sector. The implementation of Decentralisation Reforms in Ghana is guided by a policy and institutional framework. Hence, a number of decentralisation policy frameworks have been developed over the years. In 2008, the government developed a National Decentralisation Action Plan, this was followed by the National Decentralisation Policy Framework (NDPF) and Action Plan (2010-2014).

This policy has ten (10) thematic areas. When the policy expired, a new decentralisation policy, 2015-2019 was formulated with five (5) thematic areas of political and legal reforms; administrative decentralisation; Decentralised Planning; Fiscal Decentralisation; and Popular Participation. Again, following the expiration of the 2015-2019 decentralisation policy, there is currently a new National Decentralisation Policy Strategy (2020-2024). This current policy has six (6) policy thrust of Political Decentralisation; Administrative Decentralisation; Decentralised Planning; Fiscal Decentralisation, Local Economic Development; and Popular Participation.

The development of these policies gives a clear indication of governments commitment to decentralised functions, powers and resources to local government. Indeed, decentralisation reforms in Ghana has in recent years made substantial progress with the legal and administrative aspects of the reform particularly the passage of the Local Governance Act of 2016, (Act 936), the PFM Act (Act 921), Land Use and Spatial Planning Act and key reforms in administrative decentralisation have all provided significant impetus for the sector.

Despite these successes, there are still a number of challenges to be addressed. For instance, there is ineffective implementation of fiscal decentralisation due to limited central government commitment. Similarly, there is also slow implementation of decentralisation policies and action plans due to inadequate budgetary allocations to local governments in Ghana.

4.5 Structure of Ghana's Local Government System

Ghana's sub-national governance structures are characterised as a four-tier structure. These structures operate at the regional, district and sub-district levels and consist of Regional Coordinating Councils on the first tier, Metropolitan or Municipal or District Assemblies on the second tier, and Urban or Town or Zonal or Area Councils on the third tier and Unit Committees on the fourth tier. Unit Committees represent the lowest and basic unit in the subsidiarity chain upon which all the other structures including the Urban or Town or Area Councils are built. The Local Government system in Ghana therefore has the following structure:

- Regional Coordinating Council
- Four-tier Metropolitan Assembly
- Three-tier Municipal or District Assembly
- Urban or Town or Area or Zonal Council
- Unit Committee

In all, 16 Regional Coordinating Councils, 260 Metropolitan, Municipal and District Assemblies and 6,700 Urban, Zonal or Town or Area Councils and 33,500 Unit Committees have been prescribed by law. Figure 1 illustrates the basic characteristics of the Local Government structure.

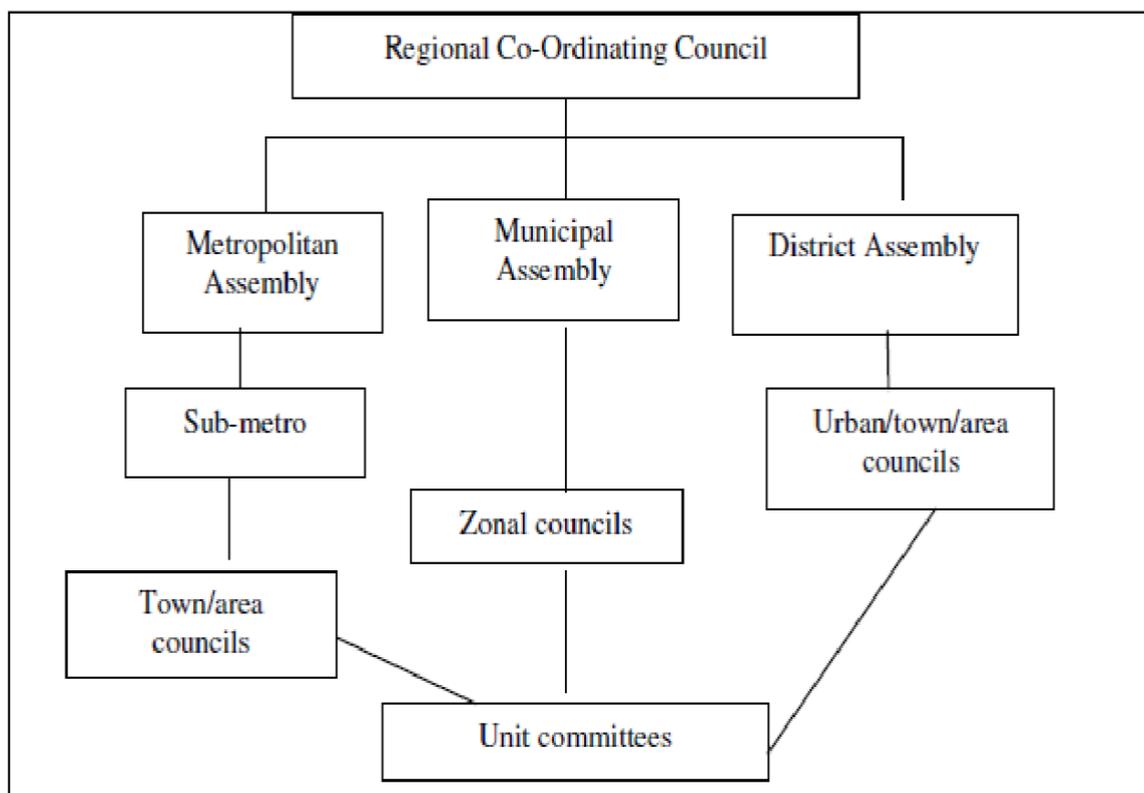


Figure 1: Structure of Ghana's Local Government System

On the basis of demographic conditions and settlement characteristics, local authorities are distinguished between Metropolitan or Municipal or District Assemblies. The Act stipulates the classification on population and constitutive settlement characteristics as follows:

- A Metropolitan Assembly is a Local Government unit or areas with population over 250,000
- A Municipal Assembly is a one town assembly with population over 95,000
- A District Assembly is a group settlement with a minimum population of 75,000 and a maximum of 95,000.

Notwithstanding these distinctions clarifying the status of the local authorities, the three types are essentially equal in power and are given equal consideration in any discussion. A Metropolitan or Municipal or District Assembly is:

- Created as the pivot of administrative and developmental decision-making in the district and is the basic unit of government administration
- Assigned with deliberative, legislative as well as executive functions
- Established as a monolithic structure to which is assigned the responsibility of bringing about integration of political, administrative and development support needed to achieve a more equitable allocation of power, wealth and geographically dispersed development in Ghana
- Constituted as the planning authority for the district.

According to the Local Governance Act 936 of 2016, a District Assembly consists of the following members:

- The District Chief Executive
- Two-third of the members directly elected by universal adult suffrage
- The Member(s) of Parliament representing constituency(ies) within the district
- Not less than 30% of the members appointed by the President in consultation with traditional authorities and interest groups in the district.

District authorities have three sources of revenue: the District Assemblies Common Fund (DACF), Ceded revenue and own revenue raised through local taxation. The DACF is the main source, providing a constitutionally guaranteed minimum share of government revenue (not less than 5% of the total revenue of Ghana). Salaries of some staff working under the DA are still being paid by the sector Ministries. Ceded revenue refers to revenue received from a number of lesser tax fields that the Central Government has ceded to the DAs. It is collected by the Internal

Revenue Service, and then transferred to DAs via the Ministry of Local Government and Rural Development.

Finally, there is the collection of own revenue through some local taxes. This does not, however, amount to much as the so-called “lucrative tax fields” such as the income tax, sales tax, import and export duties. The District Assemblies are responsible for the setting and collecting local rates. Thus, the major sources for Local Government revenue are:

- Central Government transfers: grants-in-aid and ceded revenue,
- Own taxes,
- User fees and charges.

It is important to note that Districts do get revenue from outside the national framework. On financial control, it is the Auditor General who audits the District Assembly accounts annually and reports to Parliament.

5. NATIONAL ASSOCIATION OF LOCAL AUTHORITIES OF GHANA

The evolution of the National Association of Local Authorities of Ghana (NALAG) can be traced to 2nd April 1962, where two separate associations (the National Association of Local Councils and the Association of City/Municipal Councils) existed to serve the interest of rural and urban councils in Ghana. On 18th November 1977 the two Associations realizing that there was a similarity in their objectives and that they were performing similar and duplicating roles, merged to form the National Association of Local Councils (NALCO) as an apolitical organization without religious or philosophical pre-occupation or orientation.

Following the restructuring of the system of local government in Ghana in 1988 by the government of Ghana, and in tune with an international designation of Local Governments, NALCO became the National Association of Local Authorities of Ghana (NALAG). NALAG continued to receive government subvention until 1998 when the Association voluntarily decided to opt out of it to give it the independence and autonomy to play its roles more effectively.

Today, NALAG is the umbrella organisation and the mouthpiece of all Local Authorities (Metropolitan, Municipal and Districts Assemblies – MMDAs) in Ghana. The membership of NALAG is compulsory for all the MMDAs established by Law. In this NALAG seeks to promote the development of local government administration and decentralisation in Ghana through advocacy and lobbying. Indeed, Article 1(1) of NALAG’s constitution states that “the Association aims to promote the development of Local government and decentralization in Ghana”.

In the performance of its function, NALAG is confronted with several challenges including inadequate financial resources; low human resources capacity; political interference;

conflict among members; low women participation at the local level; among others. NALAG therefore needs to be well resource and build the needed capacity to be able to champion the discourse of local governance in Ghana. Since MMDCEs are appointed by the president and are subjected to his control, MMDCEs will be committed to the president rather than the local people. Hence, NALAG as the mouthpiece of MMDAs and by extension the backbone of the local people, NALAG should stand up to the occasion and defence the course of local governance in Ghana.

6. EU COOPERATION

6.1 National Indicative Program (NIP) of the 11th European Development Fund (EDF)

Ghana is an aspiring middle-income country, which continues to face challenges in delivering basic social services and in building institutional capacity. The EU is Ghana's most important trading partner and its largest export market (€3.75 billion in 2015). Ghana initialled an interim Economic Partnership Agreement (EPA) end of 2007 and has benefitted from free access to the EU market under the Market Access Regulation ever since. The EPA with Ghana was signed on 28 July 2016, ratified on 3 August 2016 by the Ghanaian Parliament and approved by the European Parliament on 1 December 2016. It entered into provisional application on 15 December 2016.

The EU is Ghana's largest multilateral development and trade partner. Currently, about half of all Official Development Assistance (ODA) received by Ghana is financed by the European Union and its Member States. A large portion of the assistance from the EU and its Member States is provided in the form of grants. After nearly four (4) decades of cooperation, the EU has extended a total of over EUR 1.2 billion to Ghana. The main source of EU funding is the five-year European Development Fund (EDF), programming cycle ensuing from a National Indicative Programme/Country Strategy Paper (NIP/CSP).

In the recent past, the EU support under the 10th EDF included EUR 47 million HIPC debt relief funds from the European Investment Bank (EIB), EUR 52 million in support of the Maternal Health Initiative and EUR 50 million in support of the Ghana Decentralization Programme. Currently, the EU's development cooperation focuses on four (4) priority areas: (a) security, (b) migration, (c) climate change/resilience, and (d) private sector development. The current EDF was set up under the Cotonou Partnership Agreement (2000-2020), which currently governs ACP-EU relations. It falls outside the remit of the EU budget (also known as the Multiannual Financial Framework) and is funded by direct contributions from EU member states according to specific "contribution key" that dictates how much each country must pay. The 11th EDF (2014-2020) covers a budget of EUR 30.5 billion of aid to African, Caribbean and Pacific

(ACP) countries and to Overseas Countries and Territories (OCTs) and covering both national and regional programmes.

In Ghana, the current National Indicative Program (NIP) of the 11th European Development Fund (EDF) was signed by the Government of Ghana and 15 Development Partners (DPs) in June 2012. The NIP of the EDF builds on the was based on the overall Ghana's strategy, named *Compact 2012-2022 "Leveraging Partnerships for Shared Growth and Development"*. The three key development priorities which were supported through the 11th EDF in Ghana with a total amount of EUR 323 million and the three (3) focal sectors are:

- ***Governance: Public sector management and accountability*** (€75 million), where the Ghana aim to promote good governance, the rule of law and accountability.
- ***Productive investment for agriculture in the Savannah Ecological Zones*** (€160 million), where the aim was to help generate sustainable agriculture wealth in selected growth areas by improving access to water, storage, markets, energy and agribusiness opportunities. This component also aims to enhance Ghana's climate change adaptation and mitigation measures.
- ***Employment and social protection*** (€75 million), where the country aim to create decent employment opportunities for vulnerable population groups (youth, women and minority groups) and enhance social protection services.

These sectors – which are fully in line with the Agenda for Change – were considered very pertinent to address some of the challenges that Ghana is facing at this stage of consolidating its status of middle-income country. Taking into account Ghana's needs and challenges to become an established middle income country and in light of EU's overall objective to achieve a higher impact on poverty reduction, the proposed collective EU development assistance to Ghana is based on and reflects the following strategic objectives:

- i. Enhance respect for democratic principles, human rights and the rule of law;
- ii. Establish a more accountable and efficient public sector;
- iii. Empower non-state actors, including civil society;
- iv. Promote sustainable and inclusive economic growth, with a particular focus on rural development;
- v. Reduce social and economic inequalities and protecting the rights of the most vulnerable, including women, children and persons with special needs;
- vi. Mitigate the consequences of climate change;
- vii. Protect the environment and biodiversity;

- viii. Promote trade and regional integration; and
- ix. Enhance Ghana's capacities as a regional actor in promoting peace, security, stability and the fight against trafficking.

6.3 Results of the EU pre-programming exercise

The 7-year budget which will cover the European Union's spending for 2021–2027, officially known as Multi-annual Financial Framework (MFF). The NDICI pre-programming consists of consultations and an analysis phase carried out by the EU and its Member States. It will allow the EU to identify its areas of support in, and with partner countries, which will then appear in the final planning documents such as the Multi Annual Action Plans. The EU has a seven (7) year budget cycle (also called Multiannual financial framework - MFF) and is currently being negotiated for the period 2021-2027.

EU leaders agreed on an overall budget of €1.824 trillion. The key changes and shifts in the new cycle are:

- The aim is to “uphold and promote the EU's values and interests worldwide”
- One single external development aid instrument will cover all development cooperation assistance, called NDICI. This instrument will have a strong focus on geographical programmes (country level) with almost 75% of funds, but it will also include thematic programmes, rapid response actions, as well as a reserve to be used in a more flexible manner. A much bigger share of that budget will be used to subsidise private companies to invest in partner countries, via extremely complex financial instruments.
- It needs to be aligned with the five new priorities of the European Union.

However, specific areas of concentration are still under discussion, the overarching geopolitical priorities of the European Commission.

- **Green Deal:** climate change, environment, biodiversity, natural resources management, sustainable energy, food systems: from farms to forks, circular economy, green and smart cities and water and oceans.
- **Digital and data technologies:** regulatory standards, digital connectivity, digital skills and entrepreneurships and E-services including e-governance.
- **Alliance for sustainable growth and jobs:** sustainable investment, business environment and investment climate, education and skills, regional economic integration, trade and connectivity.

- **Governance, Peace, Security and Stability:** Human Rights and Democracy, Rule of Law and accountability, Conflict prevention, sustaining peace and building resilience, fight against terrorism and organised crime.
- **Migration partnerships:** root causes of irregular migration and forced displacement, migration management, durable solutions for refugees.

Certain cross-cutting priorities should be applied systematically in international partnerships actions:

- Involving civil society, public and private sector and financial institutions;
- Promoting gender equality and women's empowerment;
- Increasing human capital.

7. OBSERVATIONS AND DISCUSSIONS

Decentralization and local government administration have been the main pillars around which economic, political and social developments are given expression by bringing governance closer to the doorstep of the people. The Metropolitan, Municipal and District Assemblies-MMDAs (Local Authorities) are the vehicles of decentralization and local government administration. Being an integral part of the public administration system, they serve as the interface between the central government and citizens at local level, and are the vehicle for implementing national policies, programmes and projects. They are responsible for the development of their respective districts through the formulation and implementation of medium-term development plans.

The review points that the constitution of the Ghana provides a basis for local governance system in the fourth republic. The spirit behind chapter 20 of the 1992 of Ghana is that central government is far away from local citizens and may not have a comprehensive grasp of the needs of the local people. Therefore, local governments are in position to recognised and understand the needs of the local people and addressed them properly to the satisfaction of the people. However, whereas local governments have been created over the years and functions and responsibilities transferred to them, there appears to be little power and resources transferred to them for implementation.

Whereas many of the policies in Ghana are drafted by the central government in full or partial consultation with stakeholders including MMDAs, the responsibility for the implementation of the actions outlined in national policies relies squarely on the shoulders of MMDAs. Indeed, to achieve most policies in Ghana, MMDAs will be required to prepare and

implement their respective medium-term development plans on the basis of the detailed medium-term national development policy framework. The sector and district medium-term plans of MDAs and MMDAs, respectively, will serve as the basis for the annual national budget during the programme period.

The argument that all development is ultimately “local” is minimally contested. The local level is the place where the global challenges of today’s world (e.g. growing inequalities, job creation, the climate crisis, migration) affect the populations and become real. It is the level where centrally defined policies have to land and be implemented, public services have to be delivered and context-specific opportunities for sustainable development and local resource mobilization have to be identified and exploited.

Clearly local governments (in the case of Ghana, MMDAs) are the frontline actors in “localizing” the SDGs. Most SDG targets are closely related to the daily mandate of local authorities. Their achievement will largely depend on credible national policies, notably on decentralization, as well as on the existence of empowered local government that can “own” the SDGs and translate them in local public policies and outcomes that are relevant for their local populations.

To enable MMDAs to perform these tasks effectively, a number of reforms have been undertaken over the years in Ghana, including devolution of several departments of central government to local level to serve as departments of MMDAs. They include agriculture, trade and industry, social welfare and community development. Education and health are yet to be devolved to complete the process. Despite, this devolution of functions and powers to MMDA, there is lack of corresponding financial commitment for MMDAs to respond effectively to their functions and roles.

8. CONCLUSION

This compendium provides a summary of national development policies and strategies in Ghana, which even though prepared by central government but are being implemented by the local governments in their territorial areas. The review also provided an overview of decentralisation legislations and policies in Ghana. The review should that administrative decentralisation is widely practice in Ghana with some financial decentralisation accompanying that. However, political decentralisation seems to be lacking as heads of local governments are still appointed by central government with the approval of local members.

Finally, the review should that EU has not only been Ghana’s major trading partner but also has received a lot of financial support from the EU. Indeed, in the NIP of 2014-2020, the

government of Ghana received support of EUR 323 million to support three focal sectors. In conclusion, it is imperative to strengthen local governments and provide them with sufficient funding to deliver public services. This will help them to implement and delivered context-specific opportunities for sustainable development.

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