

# Support for Decentralization Reforms (SfDR)

Supporting districts to perform efficiently and effectively  
in the interests of the local population

## Situation

In recent years, Ghana's economy has grown in a climate of political stability and set a positive example in West Africa. Nevertheless, poverty remains one of its greatest problems, with much of the population unable to benefit from economic growth. Socio-economic disparities, discrimination and exclusion, particularly of women, youth and other marginalised groups, jeopardize national progress. Chapter 20 of the constitution of Ghana obliges the government to decentralize political power. The government of Ghana enacted a decentralization strategy for Ghana's 216 districts. Through its decentralisation reforms, the Ghanaian government aims to promote democratic development as well as the improvement of public services for the population.

For almost two decades, Germany and other donors have supported the implementation of Ghana's decentralisation reforms. As an outcome of the Ghanaian-German governmental consultations in 2015, Germany will support the Ghanaian government in the field of governance for an additional phase of three years.

## Challenges

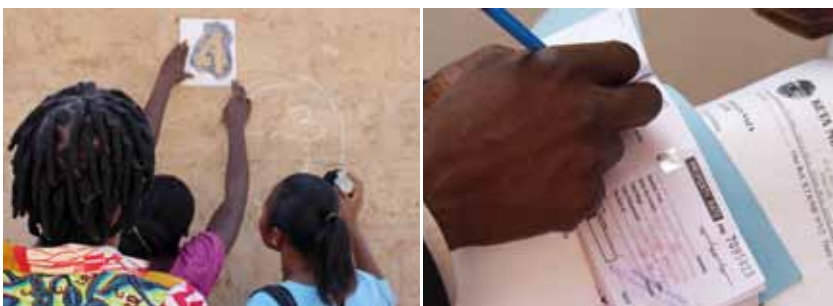
Notwithstanding the successful advancement of the decentralization process in Ghana over the past 20 years, there are still challenges to be faced. The potentially negative effects of rapid urbanisation need to be addressed through systematic planning and improved management at the local level. In particular, this requires a significant increase in the financial means available in Ghana, known as IGF, to be invested in poverty reduction and sustainable development, especially at the local level.

Project Name	Support for Decentralisation Reforms (SfDR)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Duration	April 2016 – March 2019
Budget	EUR 5,800,000 (BMZ) Additional co-financing agreements in preparation (USAID and GAC)
Lead Executing Agency	Ministry of Local Government and Rural Development (MLGRD)
Partner Organisations:	Fiscal Decentralisation Unit (FDU) of the Ministry of Finance (MoF), Urban Development Unit (UDU) of the MLGRD, Local Government Service Secretariat (LGSS), Institute of Local Government Studies (ILGS), National Association of Local Authorities of Ghana (NALAG), Center for Democratic Development (CDD)

Furthermore, the Ghanaian government has identified that improvement is needed in the areas of the legal and political framework, public accountability, the largely centralized management and development of human resources, the institutional environment and the demand for accountability and influence of civil society.

## Objectives

The Support for Decentralization Reforms programme focuses on increasing the awareness of the opportunities and risks of decentralization for the districts and developing expertise in financial management, service delivery and local development planning. SfDR supports the implementation of the Ghanaian decentralisation reforms at local level and develops the necessary capacities of the partner institutions in 40 districts. At the same time, the



Improving the mobilisation of Internally Generated Funds (IGF) is the primary focus of the 2016-19 phase of SfDR.

This Focal Area builds on the successful implementation of the Street Naming and Property Addressing exercise (far left) to enable districts to bill and collect local taxes, fees and rates, the most important of these being the property rate (left).



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*Improving the planning and budgeting capacities of the districts is the focus of SfDR's Focal Area 2 (far left).*

*In Focal Area 3, SfDR concentrates on improving cooperation between national, regional and district levels as well as civil society.*

project continues to follow a multi-level approach and supports the partners in establishing coordination mechanisms between local, regional and national levels.

SfDR promotes the participation of civil society and particularly women in political decision making, local planning and budgeting. Furthermore, the programme supports networking and the exchange of experience between the districts, e.g. through learning platforms, aiming to improve administrative and local governance. SfDR supports the implementation of the national urban development strategy through capacity building and strategical and operational advice to the Ministry of Local Government and Rural Development and the districts.

## Focal Areas

The Support for Decentralization Reforms programme's objectives are pursued through three areas of intervention:

- Internally Generated Funds (IGF): Enhancing local revenue mobilization, supporting strategic action and investment planning, and implementing IT-based tax and fees registries;
- District Planning and Budgeting: Building individual capacities to enhance composite and gender-sensitive budgeting, promoting participatory planning mechanisms and involving civil society including marginalised groups in planning and decision making;
- Inter-governmental and civil society cooperation: Building institutional capacity of local authorities and clarifying roles and mandates of key actors in the decentralization process.

## Achievements and expected results

The programme is based on its expertise of supporting the decentralization reforms for more than a decade at the national, regional and most importantly: at district level. It helped to develop the national decentralization policy as well as an urban development strategy and supported the implementation to enhance public services.

Sustainable urban development has found its way onto the government agenda, while spatial planning is now considered indispensable. Connected to this, a system has been devised for the designation of streets and for registering plots of land and is to be implemented nationwide.

The current phase will further enhance the institutional and personal capacities at the regional and district level of the local governance system. This will enable a better mobilization and management of local revenues and enhance planning and decision-making procedures.

The local economy will benefit from more transparent and efficient fiscal management.

Civil society organisations as well as marginalised groups will have more influence and participation in the decision making process of local government.

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