

# Planning and budgeting

## Improving planning and budgeting capacities of district administrations

### SfDR Focal Area 2

#### Situation

Ghana's decentralization framework has largely succeeded in setting up the requisite legal, policy and institutional frameworks to guarantee MMDAs leadership in the development planning of the country. Ghana's 1992 Constitution and the various laws and guidelines on development planning and composite budgeting all make provisions for community participation. While the National Development Planning Commission (NDPC) sets up the general development framework and guidelines for development planning, it is the MMDAs that are the only institutions with planning powers over their areas of jurisdiction. Nevertheless, in reality the medium term development planning over the years have not lived up to the high standard of producing plans with strategies to address the varied challenges of their populations. The level of citizens' participation in local decision-making and the planning and budgeting processes remains low. District medium term development planning among MMDAs has not been able to sufficiently set development targets and design strategies and programmes to achieve them to the satisfaction of the people.

It is widely acknowledged that by bringing decision-making closer to the people at the local level by giving them the chance to actively engage themselves in the planning process, development priorities will better reflect people's needs.

#### Challenges

Although a process for transparent development and planning through citizen information and participation is legally provided for, the citizen orientation of the public administrations is limited.

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)

Mechanisms to promote social accountability are not effective. One key challenge in this area is the limited alignment of national planning by ministries, departments and agencies with district level planning.

In the area of the MMDAs own planning process, there has been limited application of the guidelines, statutory public involvement and hearings in the planning and budgeting processes. These processes lack the necessary quality to enable the citizenry to realise their real impact in the end.

There is a time constraint on the part of the MMDAs to effectively involve the people due to delay in the release of guidelines and a tight schedule to produce plans and budget to meet national deadlines. As a result, there are inadequate discussion and presentation formats for the district administrations' management staff to enter a dialogue with the population.



*Improving the planning and budgeting capacities of the district assemblies is an essential step towards citizen-oriented financial planning and sustainable development.*

*Therefore, civil society organizations are strengthened to facilitate popular participation (far left) and technical staff of the assemblies are trained to apply innovative participatory planning methods and tools.*



Simon Manu

Senior Advisor

T +233 302 687033

M +233 244 337779

F +233 302 687030

E [simon.manu@giz.de](mailto:simon.manu@giz.de)

*Participants of a budget hearing in Wa: Citizens' participation as mandated by Ghanaian law is essential for bringing public services closer to the demands and needs of the local population.*

*In this context, public hearings play an important role in the district planning and budgeting processes.*

## Objective

The objective of the SfDR programme in Focal Area 2 is the improvement of participatory planning and budgeting capacities of the district administrations as well as citizens capacities for their participation.

Gender-sensitive approaches and tools shall be introduced with increased transparency and more effective accountability mechanisms in the management of the resources and the development of the districts.

## Achievements and expected results

To address the challenges to development planning and budgeting in the MMDAs in Ghana, SfDR applies a multi-level and multi-stakeholder approach that includes the following activities:

The programme introduces innovative participatory planning methodologies and tools to assist the technical staff of the MMDAs facilitating the planning and budgeting processes to be able to prepare improved plans and budgets in a more inclusive manner.

Training and other capacity development measures are provided to all district planning coordinating units members in all the selected MMDAs to be able to apply the methodologies and tools provided them in improving planning and budgeting in their districts.

To ensure sustainability and constant support and supervision of the work of the DPCU in planning and budgeting, similar capacity development is provided to all ten Regional Planning Coordinating Units to enable them to effectively carry out their technical backstopping, monitoring and coordinating role. The national level in the planning and budgeting is also supported by providing capacity development to the NDPC and the Fiscal Decentralization Unit of the Ministry of Finance to give appropriate guidelines and supervise the implementation of these guidelines and frameworks by the MMDAs.

MMDAs are supported to improve capacities in data collection, analysis and use planning and decision-making.

SfDR also promotes citizens engagement in the planning, budgeting and general development of their districts. Traditional authorities, women groups, trade associations, and civil society organizations are strengthened to facilitate popular participation.

Transparency and accountability in decision-making and the application of resources in the MMDAs are also promoted by the programme. Statutory accountability mechanisms to the central government and to the citizens are both strengthened while innovative social accountability mechanism are introduced to enhance citizens' government engagement.

Through the introduction of citizen participation mechanisms and social control through the population. The programme contributes to a transparent and citizen-oriented financial planning and thus to sustainable development.

Published by

Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices Bonn and Eschborn, Germany

Support for Decentralisation Reforms (SfDR)  
P.O. Box 9698 KIA, Accra, Ghana  
State Enterprises Commission Building

T +233-302-68 70 30/68 70 33

F +233-302-68 70 30

E [hartmut.krebs@giz.de](mailto:hartmut.krebs@giz.de)

W [www.giz.de/ghana](http://www.giz.de/ghana)

G N05° 33' 06", W00° 11' 57"

On behalf of

Federal Ministry for Economic  
Cooperation and Development (BMZ)

Addresses of the  
BMZ offices

BMZ Bonn  
Dahlmannstraße 4  
53113 Bonn, Germany  
T +49 228 99 535 - 0  
F +49 228 99 535 - 3500

BMZ Berlin  
Stresemannstraße 94  
10963 Berlin, Germany  
T +49 30 18 535 - 0  
F +49 30 18 535 - 2501

[poststelle@bmz.bund.de](mailto:poststelle@bmz.bund.de)  
[www.bmz.de](http://www.bmz.de)

As at

06/2016

GIZ is responsible for the content of this publication.