

# DECENTRALIZATION AND LOCAL GOVERNANCE REFORM: TOWARDS ACCOUNTABLE LOCAL GOVERNMENT AND BETTER SERVICE DELIVERY IN GHANA

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## Key points

There are a host of challenges that face local government in the 21st century: delivering services, lack of finance, managing staff, engaging citizens, forming new partnerships, rapidly evolving technologies and growing socio-economic demographics

These challenges have set forth an urgent call for reform to improve the capacity of local governments to be responsive and accountable to the development needs of citizens, particularly the poor and vulnerable in society

After three decades of decentralization reform, local governments in Ghana continue to remain weak, unaccountable, unresponsive and in many instances unable to deliver important public services that impacts the lives of ordinary citizens

To realize the potential and promise of local governance for better development outcomes, this paper recommends that decentralization reform efforts in Ghana should focus on 1) devolving the provision of key basic service to local governments, 2) increase and improve national and sector resource allocation to local governments; and 3) strengthening data collection, performance monitoring and accountability systems at sub-national level

These reforms in the administrative and fiscal accountability relationship between central and local governments would have the greatest potential to engender responsive local governance and better, accountable service delivery

## INTRODUCTION

Since the late 1980s, many countries in Africa started the process of devolving political, administrative, and fiscal responsibilities from central to local governments. The motivations of countries for undergoing such a governance change are varied and include a range of political as well as social and economic factors (see; Dickovich and Wunsch, 2014; Mogues, Benin and Cudjoe, 2009; Crawford and Hartman, 2008). Ghana has been implementing decentralization reform since 1988. The central purpose of the reform is to improve local governance and better provision of public services that would improve the lives of ordinary citizens (see; Ahwoi, 2010). Yet, in spite of a wave of decentralization policy reforms, local governments in Ghana still remain weak. Metropolitan, Municipal and District Assemblies (MMDAs) – the political, administrative and fiscal authority responsible for local governance- have weak accountability systems, are unresponsive and in many instances unable to deliver important public services that impact the lives of ordinary citizens (See; Ofei-Aboagye, 2018; CDD-Ghana and UNICEF, 2019).

The poor performance of local governments in delivering public services has led to calls for deepening decentralization reform in Ghana. In response to the calls for strengthening local governance, government has in recent times initiated and is implementing key policy reforms in political, fiscal and administrative decentralization. While the current reforms proposals –particularly in political decentralization –are far reaching, there still remain areas of decentralization and local government reforms that require the attention of policy makers, local government accountability oversight agencies as well as social accountability actors.

This paper aims to stimulate public discourse on strengthening decentralization for better local government accountability and responsive public delivery service in Ghana. The aim of this paper is two fold; to provide key pointers to policy makers on the outstanding reform and policy issues in decentralization and local governance that needs political critical attention, and , to serve as an advocacy tool for non-state actors in fostering evidence informed advocacy towards achieving accountable, responsive local governments in Ghana.

## UNPACKING THE BARRIERS TO LOCAL GOVERNMENT ACCOUNTABILITY AND POOR SERVICE PROVISION IN GHANA

Like many developing countries, Ghana embarked on an ambitious decentralization and local government reform in 1988. The reforms aimed at promoting greater political accountability, popular participation and better social services provision at the sub-national level (Ofei-Aboagye, 2019). After three decades of local governance practice, what is the state of local public service provision? To answer this question, we draw from the findings of a new local government service delivery performance index: The Ghana District League Table (DLT).

### ✧ **The state of public service delivery: evidence from the DLT**

CDD-Ghana and UNICEF Ghana, in collaboration with the Ministry for Local Government and Rural Development (MLGRD) and the Office of Head of Local Government Service (OHLGS) in 2014 initiated a local government service delivery performance index dubbed: The Ghana District League Table (DLT). The DLT measures, assesses and ranks local government performance in the provision of key government services in six sectors: education, health, water, sanitation, security, and governance.

#### ✧ **DLT Methodology:**

##### ✧ *Indicator selection and calculating the index*

- Had to be a key priority for people's wellbeing and District development
- Had to be available at the District level in an annually produced national database for every District in Ghana
- Had to be representative of the output or outcome level; and
- Had to be stable, year to year

##### ✧ *DLT sectors and indicators*

- Education (BECE pass rate)
- Health (Skilled delivery +neonatal survival rate)
- Water (rural water coverage)
- Sanitation (Open defecation free)
- Security (police coverage)
- Governance (FOAT performance measures)

##### ✧ *Calculating the index and ranking all 216 districts involves the following 3 steps:*

- First ensuring that, all indicators are on the same 0 to 100 standard percentage scale, where 0 is the worst (minimum) score and 100 is the best (maximum) score
- Second, aggregating all the indicators for each district and averaging them without assigning weights i.e. adding up the six (6) indicator values and dividing the total by 6 to get a simple average score for each district
- Finally, the simple average score for each of the 216 districts is used to rank all the districts: from the district in the first place with most advance level of development to the 216th district, the most challenged

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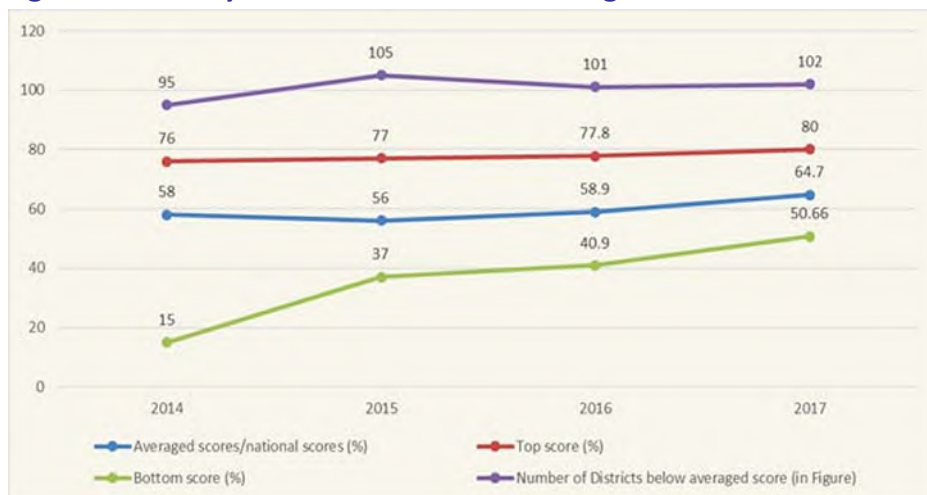


Since the launch of the DLT initiative in 2014, CDD-Ghana and UNICEF have produced and published the DLT report annually. The following are a number of key observations from the 4 rounds (2014-2017) of the DLT report (see Figure 1):

#1: Steady progress in public good and service provision?

- Marginal improvement in average national scores
- Top and bottom scores have improved over time
- Number of districts below the averaged national scores have increased over time

**Fig.1: Trend analysis of 4 rounds of DLT findings**



Source: Author's construction from DLT reports (2014, 2016 and 2017)

#2: However, majority of Ghanaians are not receiving the basic public services they need to improve their wellbeing:

- About 105 of Ghana's districts in 2015 scored below the national average
- In population terms, that is about 14.6 million Ghanaians or 54% of the Ghanaian population that have little or no access to basic public services that are important to their well being

#3: Wide disparities in service provision across and within regions and among districts in Ghana:

- Some Districts have remained among the bottom 30 of the DLT for the last 4 years
- In 2017, the top scored district in the Greater Accra Region had a score of 80% while the bottom scored district had a score of 57%. In the Northern Region, the top district scored 75% while the bottom district scored 51%.

#### ✧ **Explaining poor performance in service delivery at the sub-national, district level**

To understand the barriers to public service delivery and variations in social development outcomes at the subnational district level, CDD-Ghana engaged local government authorities and key civil society actors in eight (8) of the poorest districts<sup>1</sup> spread across the country to discuss and better understand,

<sup>1</sup> The 8 district that have consistently ranked low on the DLT index are: Prestea Huni Valley, Gomoa West, Krachi East, Upper Manya Krobo, Sene East, Daffiama Bussie Issa, Builsa South and Gushiegu.

“ *The District Performance Assessment Tool (DPAT) – used as a rewarding system to transfer money to districts actually ends up affecting districts that do not have the fiscal and human capacity to perform.* ”

the barriers affecting local government accountability and poor service delivery. The following are the key highlights of views from the stakeholder engagements on the barriers to local government accountability and poor local service delivery outcomes.

Partial implementation/incomplete decentralization reform:

- Weak local governments vis-à-vis central government: districts lack financial and administrative autonomy; political interference from the center and by political parties in key administrative and bureaucratic decision making processes
- Many unclear and unfunded mandates: Districts are not responsible for the provision and outcomes in certain basic services such as security, education, health: this affects district’s ability to be responsive
- Weak inter-sectoral collaboration at the district level: failure of inter-departmental and inter-sectoral coordination which has affected resource mobilization and the effectiveness and efficiency in resource allocation and use. Key decentralized agencies and committees of the Assembly are poorly structured and constituted with very weak performance measurement system
- Creation of unviable districts: limited capacity and resource endowment of newly created districts which has affected their ability to support the provision of local public service delivery

Poor resource allocation and weak accountability:

- The District Assemblies Common Fund (DACF) is inadequate for district development particularly for poorer, less endowed districts: mandatory deductions from the DACF do not serve all districts' needs and do not allow for effective monitoring of contract implementation
- Districts owned resources/revenue (IGF) are very limited to complement central government allocation/grants to finance the delivery of local public services
- Poor public financial management practices by district assemblies resulting in misapplication of resources and corruption related offenses
- Performance index – such as the District Performance Assessment Tool (DPAT) – used as a rewarding system to transfer money to districts actually ends up affecting districts that do not have the fiscal and human capacity to perform

Weak data collection system and poor use of evidence for policymaking:

- Weak capacity and incentive for collection and use of data for evidence-informed policymaking at the national and district level
- Poor monitoring mechanisms to assess local government performance, accountability and responsiveness in public service delivery: local government service performance contracts are not used as tools to hold local public officials accountable



POOR MONITORING MECHANISMS TO ASSESS LOCAL GOVERNMENT PERFORMANCE, ACCOUNTABILITY AND RESPONSIVENESS IN PUBLIC SERVICE DELIVERY

## TOWARDS ACCOUNTABLE LOCAL GOVERNMENT AND BETTER SERVICE DELIVERY IN GHANA

There are a host of challenges that face local government in the 21st century: delivering services, lack of finance, managing staff, engaging citizens, forming new partnerships, rapidly evolving technologies and socio-economic demographics (Guardian, 2018). These challenges have set forth an urgent call for reform to improve the accountability and the capacity of local government to be responsive to the development needs of citizens, particularly the poor and vulnerable in society (Smoke, 2015).

In Ghana, decentralization and local government reform is receiving increasing attention. Recent reform and policy efforts included the following: passage of a new local governance act, Act 936; national popular participation framework; local government performance contract, and a new local government performance assessment tool—the district performance assessment tool (DPAT). In addition to these current reforms, a number of proposals are being put forward to deepen decentralization. Currently, far reaching consequential reform proposals include the following:

- proposal to introduce multi-party politics in local level election
- the popular election of metropolitan, municipal, and district chief executives (MMDCEs)
- new local government financing bill to reform inter-governmental fiscal transfer rules
- the devolution of education and health sectors

The consequences of some of the recent reform proposals are far reaching: for instance, the proposal to allow political parties in local level elections and the popular election of Metropolitan, Municipal, District Chief Executive (MMDCEs)<sup>2</sup> if passed, has the potential to deepen participatory democracy and strengthen political accountability at the sub-national, district level.

### ❖ **Reforming decentralization for accountable local governance and better service delivery: Key policy recommendations**

The decentralization of authority and responsibility for public goods provision to local governments is an essential part of the overall governance reform and development strategy in many developing countries around the world. The argument is that decentralization will increase economic efficiency and allow greater differentiation in the provision of public services due to improved preference matching and government accountability (Lockwood, 2006). Yet, decentralization reforms in developing countries have often led to the coexistence of multiple tiers of government in given policy areas, triggering new accountability issues in service delivery (Marcelin, 2014). Further, the

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<sup>2</sup> As at the time of finalizing this paper, the government has suspended the roadmap on the proposal to amend the relevant article of the constitution to allow for the popular election of MMDCEs and the participation of political parties in local level elections



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complexity of decentralization reforms and the political context in which it unfolds creates challenges for realizing local governments' potential to deliver services more effectively and accountably (Smoke, 2015).

To strengthen local government, CDD-Ghana is proposing a set of policy recommendations to draw attention to key outstanding reform issues in decentralization and local governance, particularly in the areas of administrative and fiscal decentralization. The policy recommendations highlights, long standing policy reform issues in decentralization practice in Ghana. The goal of the policy recommendations is to advance and complement efforts towards fostering public official responsiveness to strengthen local government accountability for responsive local public service delivery.

## **POLICY RECOMMENDATIONS**

### *# 1: Deepening decentralization by focusing on devolving key basic services to local level governments*

Situational analysis:

- Ghana practices a limited form of decentralization: administratively by deconcentration, where the government transfers responsibility for certain functions to local governments, but the latter are still accountable to the central government (Resnick, 2018)
- Roles and responsibilities between the various levels of government remain unclear and contested, particularly in the area of service provision. They remain an unfunded mandate in many areas of service provision at the local level
- Local level service delivery take place through national and sub-national government structures as well as special project teams and program based inter-sectoral coordinating mechanisms with poor outcomes in efficiency and sustainability (Ofei-Aboagye, 2018)
- Centrally driven local level development initiative with limited scope for local input and interpretation (Ofei-Aboagye, 2018; CDD-Ghana, 2018)

Specific policy recommendations:

- Central Government, through the Inter-Ministerial Coordinating Committee on Decentralization (IMCCoD), should make the full devolution of health and education sector the key policy anchor in the new national decentralization policy implementation framework (2020-2024)
- The Ministry of Local Government and Rural Development (MLGRD) should, through the (IMCCoD), ensure that the implementation of centrally-driven, local development initiatives are fully devolved to district assemblies as the focal coordinating and implementing agencies
- The Office of the Head of Local Government Service should strengthen inter-service/inter-sectoral collaboration and cooperation system at

the district level through stronger national and regional level oversight, coordination and accountability

## # 2: Improve national and sector resource allocation to local governments for social development

Situational analysis:

- Fiscal and administrative decentralization reform has lagged behind the furthest in Ghana's decentralization process (Ofei-Aboagye, 2018)
- Fiscal decentralization remains limited, with most (MMDAs unable to exercise genuine expenditure autonomy. This is reflected in their heavy dependence on the District Assemblies Common Fund (DACF) due to their inability to generate sufficient internally generated revenue (Resnick, 2018)
- Control over resources continues to sit primarily at the central level (both funds and personnel)
- There remains a weak system to track revenue mobilization and expenditure at the assembly level
- Resources are not allocated on the principle of need: districts lagging behind do not receive more resources, and often poorer districts will have insufficient resources allocated to them
- Local authorities and local government functionaries lacked the requisite capacity to deliver development, including logistics and technical know-how
- The inability of assemblies to implement more than 30% of medium-term development plans (DMTDP) due to lack of resources (Ofei-Aboagye, 2018)
- Specific policy recommendations:
- Government working through the Ministry of Finance (MoF) and the Ministry of Local Government and Rural Development (MLGRD) must reform inter-governmental fiscal transfer rules, specifically, increasing the DACF to a minimum of 10% of national revenue
- The Ministry of Local Government and Rural Development (MLGRD) and the Ministry of Finance (MoF) should speed up the passage of the long overdue proposed Local Government Financing Bill, to wean off the 6 metropolis from DACF grant allocation
- Ministries Departments and Agencies (MDAs), with central level responsibility for service delivery, should prioritize resource allocation to Districts that rank poor in national assessment in service delivery performance focus on matching resource allocation with responsibility assignment
- The Ministry of Local Government and Rural Development (MLGRD) and the Office of Head of Local Government Service (OHLGS) must invest in and work to enhance the technical capacity of MMDAs to mobilize, generate and allocate resources efficiently by addressing the issue of the non-functioning of Sub-district structures and expanding the range of local tax sources for MMDAs

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“ Office of the Head of Local Government Service (OHLGS) and the Ghana Statistical Service (GSS) must work to enhance capacity for administrative data collection, dissemination and use at the district level by investing in capacity development training to strength district statistical offices. ”

### # 3: Improve data collection, performance monitoring and accountability systems at the sub-national level

Situational analysis:

- Poor investment in the collection of routine administrative data at both national and the sub-national level (CDD-Ghana and UNICEF, 2014).
- Low level of awareness of relevant indicators at the local level and resulting limited use of such information for planning
- Lack of a comprehensive local government assessment index to measure performance (Ofei-Aboagye, 2018).
- Districts are engaged in too many reporting modules which are hard to track by citizen to demand accountability (Ibid, 2018)
- The supply of transparency is very weak at the local government level, limiting citizen's interest and ability to participate in local governance (Afrobarometer, 2016)

Specific policy recommendations:

- National level Ministries, Departments and Agencies (MDAs) responsible for producing routine, administrative data must commit to sharing results to district assemblies, and posting their databases online in a regular, updated and user-friendly manner
- Office of the Head of Local Government Service (OHLGS) and the Ghana Statistical Service (GSS) must work to enhance capacity for administrative data collection, dissemination and use at the district level by investing in capacity development training to strength district statistical offices
- The Ministry of Local Government and Rural Development (MLGRD); National Development Planning Commission (NDPC) and Office of Head of Local Government Service (OHLGS) must lead the process to design a strong national local government performance assessment scorecard that integrate institutional mandate and sector-wide service delivery improvement performance assessment

## CONCLUSION

Poor local public service delivery is a barrier to improving human development outcomes. Improving the incentives for government accountability at both national and the sub-national level holds great potential for addressing systemic challenges to poor service delivery outcomes. The decentralization of authority and responsibility for public services provision to local governments is an essential part of the overall governance reform and development strategy to address the challenges of service delivery. Yet, decentralization reforms in many developing countries have often led to the coexistence of multiple tiers of government in given policy areas, triggering new accountability issues in governance and service delivery (Marcelin, 2014).

After three decades of reform, Ghana's decentralization story is that of partial implementation of political, administrative and fiscal devolution, and the absence of complementary changes that are required to realize the potential of local governments to deliver accountable, effective and responsive public services. To address these challenges, there are recent attempts to implement



decentralization reforms to strengthen accountable local governance in Ghana. While these reform efforts are commendable and necessary, they are not sufficient enough to address the everyday governance challenges that local governments face in Ghana.

To realize the potential and promise of local governance, decentralization reform efforts should address and ensure that, the necessary institutional and policy framework are put in place or developed to allow local governments to govern effectively and to deliver, better accountable and responsive local public services to citizens. This paper has suggested a number of policy recommendations to complement ongoing reform efforts to improve and strengthen local government's ability and capacity to govern effectively and to provide better local services. The policy recommendations highlight long outstanding policy reform issues in Ghana's decentralization framework. Key among the policy recommendations is the call on government to focus its reform efforts on deepening administrative and fiscal decentralization. Reforming the fiscal and administrative relationship between the central and local governments has the greatest potential to engender better, accountable, and responsive local governments and improved service delivery.

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