Module A

Decentralization Policies and Practices

Case Study Ghana

Participants’ Manual

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Module A
Decentralization Policies and Practices. Case Study Ghana¹
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Context to Decentralization

Development in Ghana faces challenges similar to most developing countries. The urban population out of the total is fast reaching the 50% mark; and its annual rate of growth is above 4%. Policies in the last decade have aimed at responding to liberalisation and globalisation on the one hand, and decentralization on the other. Prevailing poverty provides another challenging dimension.

Decentralization reforms started at the end of 1980s. Despite several years of reform, substantial challenges exist, which constitute critical questions confronting development in Ghana today.

Between 1957 and 1988 efforts were made by successive Ghanaian governments to decentralise authority to the local level. These took the form of regional devolution and district focused public administration. Progress was minimal until the 1970s, when the decentralized system was reformulated into a four-tier structure consisting of Regional, District, Local Councils and Towns and Village Development Committees. The District Councils were made the focal point of local government with administrative and executive power for local level development and governance.

In 1988, the Government embarked on the implementation of comprehensive policy to decentralise. Crucial to this was the enactment of the Local Government Law, 1988. Preparation of the policy involved the execution of a study on the conditions of authority at the district level and the modalities of the district election process. Findings and recommendations were compiled in the ‘Blue Book’, a document used as the basis for discussions with various sections of the population regarding the essential features of decentralization in Ghana. Major features of the policy included the shift from command approaches to consultative processes and the devolution of power, competence and resources to the district level. The initial implementation was supervised by a high powered Decentralization Oversight Committee under the Cabinet. The Ministry of Local Government and Rural Development (MLGRD) later took over responsibilities of overseeing implementation.

Central government decentralization objectives

The 1992 Constitution and the various legislation on decentralization articulate the explicit objectives of decentralization such as empowerment, participation, accountability, effectiveness, efficiency, responsiveness, decongestion of the national capital and the stemming of the rural-urban drift. Specifically, the Constitution and the legislation show that the decentralization program has been designed to:

- Devolve political and state power in order to promote participatory democracy through local level institutions;
- Devolve administration, development planning and implementation to the District Assemblies (local government units);
- Introduce an effective system of fiscal decentralization, which gives the District Assemblies (DAs) control over a substantial portion of their revenues;
- Establish a national development planning system to integrate and co-ordinate development planning at all levels and in all sectors;
- Incorporate economic, social, spatial and environmental issues into the development planning process on an integrated and comprehensive basis;
- Create access to the communal resources of the country for all communities and every individual;
- Promote transparency and accountability \(^2\).

Legal and institutional framework


Ghana has a unique decentralized system of government. This was introduced in 1988, with the creation of the District (including Metropolitan and Municipal, but hereafter simply called “District”) Assembly system. Six years later, the concept was greatly strengthened by the introduction of the funding mechanism known as the District Assemblies Common Fund (DACF), under which 5% of the national budget is allocated to Districts. Building on the success of these 110 District Assemblies (DA), the logic of decentralization has now been extended to lower levels, with the creation of 1,800 urban/zonal/town councils and 16,000 unit committees. District Assemblies collect their own revenues in the form of property taxes, user fees, licenses and permits. The proceeds may be used for capital or recurrent expenditure.

The head of state is the Executive President, who is assisted by a vice president, cabinet ministers, ministers of state and deputy ministers. In total there are 18 Ministries at the national level. The Ministry of Local Government and Rural Development (MLGRD) is responsible for the co-ordination of local government functions and links the centre, the regional, district and sub-district levels. The MLGRD also functions as the Local Government Secretariat, with the political role to nominate District Chief Executives (DCEs) and 30% of the DA members to be appointed by the President. The Ministry also issues instructions and directives to other Ministries, agencies and departments as relates to decentralization. It also monitors the decentralization process and the effectiveness of local government, advises the government on local issues,

\(^2\) These were taken directly from the Country Report on Ghana (2000), p 61-2.
administers training institutions for local government, provides advise on the review of local administrative boundaries and issues guidelines to and approves the by-laws of the DAs.

Regional Co-ordinating Councils (RCCs) regulate and co-ordinate the DAs in the 10 regions of Ghana. The RCCs comprise the Regional Minister (a government appointee and representative of the central government in region as chairman), his deputy, two representatives of the Regional House of Chiefs, the DCEs of the districts and the Presiding Members of the DAs in the Region;

There are 110 District Assemblies (DAs), three of which are Metropolitan Assemblies (Accra, Kumasi and Shama Ahanta districts with population over 250,000\(^3\)) having a four-tier structure and three of which are Municipal Assemblies (with population over 95,000), which, like the 103 DAs (with population 75,000 and over), have a three-tier structure.

There are 13 sub-metropolitan district councils. They were created to meet the complex and peculiar socio-economic, urbanisation and management problems that confront the three metropolises, namely, Accra (with 6 sub metropolitan district councils), Kumasi (4 metropolitan district councils) and Shama Ahanta (with 3 sub metropolitan district councils).

Devolution to the Urban/Zonal/Town Area Committees has also occurred, their members are appointed and are the rallying point of local enthusiasm for the development objectives of the DAs. The Unit Committees are elected and perform roles such as the registration of births and deaths, organisation of communal labour, revenue raising and public education campaigns\(^4\).

**National policies and programs on decentralization and their status**

The implementation strategy can be summarised as follows:

**Political decentralization**

Political decentralization including:
- Re-demarcation of local government boundaries;
- Establishment of District Assemblies two-thirds of which are elected Assembly members; District Assemblies are responsible for managing local development;
- Provision of legislative powers to District Assemblies – to issue by-laws (in the context of their legal mandate);
- Establishment of community level political entities for decision-making.

Implementation of political decentralization has been strongly emphasised since public reforms started. However, weaknesses have emerged with time. These include the appointment of the Mayor by the President of the country, albeit with the consent of majority of members the District Assembly. A legal clause that makes the Mayor the

\(^3\) 1984 Census figures
\(^4\) These descriptions are taken directly from Country Report on Ghana, p. 65-6.
representative of the President in a district has tended to undermine accountability. The posture of the Mayor is more towards responding to central government requests than to local demands. Local level spending patterns have been aligned accordingly. Political support for implementation of local plans is therefore not reliable. Presently, there is a growing lobby to have the Mayor elected. This will require amendment of the constitution and is therefore not likely to happen in the next couple of years.

The challenge is therefore to ensure continuous dialogue and transmission of information to the Mayor (in a manner acceptable to politicians). An other challenge is how to use central government funds to stimulate local actions. In effect, planning in the present context of political decentralization requires close collaboration with the Mayor, lobbying the Mayor and central government officials and providing the Mayor with instruments to attract funding from higher levels of government.

**Administrative decentralization**

Administrative decentralization in Ghana requires the following:
- Establishment of a Local Government Service that will ensure the creation of departments of District Assemblies as required by law;
-Restructuring of ministries and transfer of functions, powers and resources from central and regional government agencies to District Assemblies, integration of sectoral programs;
- Support at the local level to promote co-ordinated development and mobilisation of resources.

Implementation of administrative decentralization has been slow. The Local Government Service is yet to be established (for which a Local Government Bill has to be endorsed by Parliament). Restructuring of ministries and central government agencies to facilitate transfer of staff will be one of the consequences and resistance from the centre is high.

The effect of the delay is that staff at the local government level have two masters: their parent ministries and the District Assemblies. Allegiance to parent ministries is stronger because of incentives of career progression and receipt of funds for recurrent expenditures from the centre.

The challenge is to use District Assembly resources to leverage funds that flow from central government agencies and their representatives at the local level. Imposition of projects on and competition with departments from the centre have not worked so far. A second challenge is how to proceed with the structured consultation with stakeholders from the private and community sector.

**Fiscal decentralization**

Fiscal decentralization in Ghana requires the transfer of discretion over both capital and recurrent expenditures to District Assemblies in areas provided for by law. Progress has been limited to capital projects in restricted areas, through a constitutional provision on what has become known as the District Assembly Common Fund. A constitutional provision ensures the transfer of at least 5% of total national revenues to local government according to a set of criteria put together by a Fund Administrator (Republic
of Ghana, 1992). The District Assembly Common Fund (DACF) is currently based on 5% of national tax revenues.

Significant weaknesses remain however. Discretion of local government over the use of the DACF is limited, in that about half of the fund is earmarked from the centre, mainly for capital projects. The remaining half is generally used as matching funds for donor projects, further capital projects and recurrent expenses of the central administration of the District Assembly.

Parent ministries, who disburse to their respective departments at the local level, largely hold recurrent budgets for the delivery of basic services. Key departments such as Education, Health, Agriculture and the Treasury are examples.

The Ghana Poverty Reduction Strategy has identified the lack of progress with fiscal decentralization as the key impediment to local development. Consequently, a completion of remaining reforms has been targeted for 2004. The implication for capacity building is immense in areas such as joint planning by departments, composite budgeting, financial management, planning of non-salary recurrent expenditures for basic services, planning for large capital expenditures in the context of fiscal discipline and planning for operation and maintenance of public and merit goods.

**Decentralized development planning**

Local governments or District Assemblies have been established as planning authorities by the Local Government Act of 1993 (Act 462) and the National Development Planning (Systems) Act of 1994 (Act 480). District Planning and Co-ordinating Units (DPCUs) ensure that planning functions of District Assemblies are undertaken. In this regard, DPCUs are required to carry out the following tasks:

- Advise and provide a secretariat for the District Assembly in its planning, programming, monitoring, evaluation and co-ordinating functions;
- Co-ordinate the planning activities of sector development-related departments/ agencies in the district;
- Synthesise strategies related to the development of the district into a comprehensive and cohesive framework;
- Formulate and update district development plans;
- Provide information required for planning at the national level.

In performing their planning and co-ordination functions, DPCUs are therefore required to play the lead role in promoting the outward-oriented functions of cities as well as in co-ordinating the tasks of sector departments to meet the demands of citizens for basic services.

DPCUs are involved in the preparation of five-year district development plans for 1996-2000 and monitoring implementation of projects financed through the DACF and by donors.

However, most of the 1996-2000 district development plans were not implemented (NDPC, 2000). This was due to the theoretical nature of most plans. The 1996-2000

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6 Mainly education, health, works, waste management, agriculture, physical planning, social welfare and community development, natural resource conservation, roads and budget and rating.
plans were mostly based on desires of planners, and not what departments can implement or what central government agencies, the private sector and NGOs are able and prepared to fund. The failure of the 1996-2000 district plans is due to inadequacies of the planning guidelines issued by the National Development Planning Commission. The planning guidelines were well above the skill level of staff of DPCU. It was strong in comprehensive planning, but extremely weak in strategic and action-oriented planning. It assumed resources would be available for the implementation of all proposals and did not emphasise the consultative nature of planning. Generally the guidelines were strong on the what rather than the how of planning (Laryea-Adjei, 2000).

Planning at the local level is also constrained by scarcity of staff and skills. DPCUs are grossly understaffed. Staffing guidelines of the NDPC and Ministry of Local Government & Rural Development (MLGRD) require that a DPCU should as a minimum be staffed by one planner, an economist and a social sector specialist. Estimates indicate a staffing gap of over 50%.

Furthermore, it is doubtful whether the few staff of DPCUs have requisite skills to confront current local development challenges. Most of the staff of DPCUs are first-degree holders with very little experience and many do not have skills related to their job. Improving the relevance of skills of professional staff is therefore urgent. It is even more urgent with the emergence of new challenges – such as privatisation of waste management and inner city revitalisation. The few staff of DPCUs require retraining in this regard. Staff of sector departments also require substantial reorientation to meet the new urban challenges.

Staff retention is also low. Filling the skill gaps for urban management in Ghana therefore requires not just increasing supply, but very importantly, introducing new skills and improving the staff retention capacity of local government.

Excessive politicisation of the bureaucracy and low wages of civil servants largely account for the low-level staff attraction and retention. The dominance of these factors implies the need for institutional reorganisation as the context for the supply of skills. The question is whether existing capacity building programs are responding to demands for institutional reorganisation, and whether they are proving the necessary skills for urban development.

**The long term Ghana-Vision 2020**

Other influential documents are the National Development Policy Framework, otherwise as referred to as Ghana-Vision 2020, and the Ghana Poverty Reduction Strategy.

The Ghana-Vision 2020 outlines key roles for leading cities in attracting foreign direct investment. A central strategy is the Gateway Program, which aims at enhancing the attractiveness of Ghana as the business gateway to the West Africa region. Challenges posed by the Ghana-Vision 2020 for urban development are immense. Local

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9 ibid.
governments have to support the out-ward-oriented role of Ghana by meeting the planning demands of businesses, both domestic and foreign. This is an enormous task, because apart from collecting taxes and providing building permits, SNGs have little contact with businesses. Skills to engage businesses in discussions on their constraints and role in city development are virtually non-existent. The result is a great deal of hostility that rears its head when service provision is delayed or a disaster occurs.

The short to medium term Ghana Poverty Reduction Strategy

The Ghana Poverty Reduction Strategy will inform government spending and multilateral and bilateral funding from 2002 to 2004. The Strategy is Ghana’s response to address the widening gap between rich and poor as well as to meet funding requirements of the Bretton Wood institutions. The need to address urban poverty is emphasised by all sections of the strategy. This is due to high incidence of poverty in some urban areas of the country.

In this regard, the Ghana Poverty Reduction Strategy proposes actions to address problems faced by the urban poor. Proposed actions include the following:

- Assessment of living conditions in urban slums; and Redevelopment of slum areas, based on the results of the assessment. Redevelopment will include improvements in the provision of basic services and support for acquisition of income generation skills;
- Renewal of old Accra, the inner city – where, despite being situated on potential prime land, low income run-down settlements share borders with head offices of leading businesses in the country;
- Introduction of guidelines to promote competition in solid waste management
- Strengthening of capacity of local governments in management of public-private partnerships, especially in waste management and provision of economic infrastructure;
- Development of equitable tariff structure for water and waste management;
- Making local level planning effective – in terms of partnerships with communities, businesses, public utilities and central government agencies and reduction of duplication of activities by agencies;
- Establishment of small business enterprise zones in profitable locations of major cities – contrary to the practice of moving small businesses to unprofitable urban peripheries;
- Ensuring fiscal discipline at the level of local government, including elimination of leakages in municipal finance.11

Managers will therefore have to develop institutions and skills that enable implementation of relevant components of the Ghana Poverty Reduction Strategy in the fastest way possible. A second challenge lies in providing skills to address the fast pace of change in housing demand and diversity of business growth. This is due to the current emphasis on detailed analysis by planners, which render many plans out of tune and date before they are published.

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Financing sub-national governments (SNG)

The composition of SNG revenue in Ghana is shown in the table 1 (in percentage of total revenues):

<table>
<thead>
<tr>
<th>Own taxes</th>
<th>Shared taxes</th>
<th>User fees</th>
<th>Single source revenues</th>
<th>Central gov. transfers</th>
<th>Donor contributions</th>
<th>Other non-tax revenues</th>
<th>Borrowing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>0</td>
<td>9</td>
<td>0</td>
<td>69</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>100</td>
</tr>
</tbody>
</table>

Based on the above figures, the following observations can be made:
- A heavy dependence on transfers from central government, the most important ones being Grants-in-aid, Recurrent Expenditure Transfers, Ceded Revenue, District Assemblies’ Common Fund, and Specialized Transfers (this is way above the average of 35% for the six countries covered by the World Bank study);
- A fair share of revenue from “Own taxes” (which is below the average of 32% of the above six-country study);
- A very limited share of revenue from user fees due to a limited assignment of tasks with revenue generating potential to the Districts; other factors contributing to the limited significance of fees and charges are political resistance to increases in fees and charges, the fact that the system for calculation of the costs/and collection is often not fully operational or that payments sometimes take place outside the SNG budgets/ accounts;
- A complete lack of other sources of revenue.

SNG’s overall resource base

SNG’s fiscal position can be characterized as follows:
- Their overall resource base is inadequate in respect of their madates as established through the policy framework;
- The main sources of revenue are central government transfers (Ceded revenue and the District Assembly Common Fund); these intergovernmental flows are not reliable with regard to their disbursement, amount and predictability over a longer period of time;
- Fiscal autonomy is limited to taxation of basic services and user charges that do not yield much revenue;
- Little incentive to control local expenditure as financial oversight and control is primarily done by central government;
- Lack of information base and valuation system for real estate and property taxation;
- Limited possibilities of external borrowing (only national through government loans and bank overdrafts) because of strict government regulations and perception of poor credit risks by lending institutions.

SNG involvement in infrastructure and service provision (ISP)

The Government clearly states its commitment to ISP in the Local Government, i.e. Urban, Zonal and Town Councils and Unit Committees (Establishment Instrument, 1994). The Instrument empowers SNGs with the necessary technical expertise and
equipment to fulfil their mandate. They also enjoin the private sector and beneficiary communities to contribute to ISP.

Central Government is the primary provider of education and health services; parastatals are responsible for electricity, water and sewerage, and SNGs for solid waste removal. Responsibility for roads is divided between central government agencies and SNGs.

The enunciated policy aside, the implementation of the lines of responsibility within the government system leaves much to be desired. Definitions of responsibilities are fuzzy at the levels of control/management and actual delivery. Overlapping responsibilities within the system are considerable. An example of this is that responsibility for construction and/or maintenance of feeder roads is shared between three different agencies. Ineffective co-ordination among the various stakeholders seems to have compromised efficiency in the delivery of services to consumers. Institutional weaknesses are caused essentially by the prevailing fragmentation of administrative and operational responsibilities between the various institutions and agencies.

Table 2 shows the involvement of SNGs in ISP in Ghana and five other countries.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Ghana</th>
<th>Senegal</th>
<th>Swaziland</th>
<th>Uganda</th>
<th>Zambia</th>
<th>Zimbabwe</th>
<th>Comparative share countries (1)% share of countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>SNG</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>CG 0.88 S 0.12</td>
</tr>
<tr>
<td>Pre-school</td>
<td></td>
<td></td>
<td></td>
<td>SNG</td>
<td>SNG</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary</td>
<td>CG</td>
<td>SNG</td>
<td>CG (P)</td>
<td>S</td>
<td>S</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary</td>
<td>CG</td>
<td></td>
<td>CG (P)</td>
<td>SNG</td>
<td>CG (P)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tertiary</td>
<td>CG</td>
<td>CG</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>CG</td>
<td>S</td>
<td>S</td>
<td>SNG (P)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinics</td>
<td>S</td>
<td>CC (P)</td>
<td>S</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitals</td>
<td>RG, CG</td>
<td>CG (P)</td>
<td>S</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community amenities</td>
<td></td>
<td>SNG</td>
<td>CC (P)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water supply</td>
<td>CG</td>
<td>SNG</td>
<td>CC (P)</td>
<td>S</td>
<td>S</td>
<td>SNG</td>
<td>0 0.18 0.92</td>
</tr>
<tr>
<td>Sewerage</td>
<td>S</td>
<td>CG (P)</td>
<td>CC</td>
<td>SNG</td>
<td>SNG</td>
<td>SNG</td>
<td></td>
</tr>
<tr>
<td>Sanitation</td>
<td>NA</td>
<td>SNG</td>
<td>SNG</td>
<td>S</td>
<td>S</td>
<td>SNG</td>
<td></td>
</tr>
<tr>
<td>Solid waste</td>
<td>SNG</td>
<td>SNG</td>
<td>SNG</td>
<td>S</td>
<td>SNG</td>
<td>SNG</td>
<td></td>
</tr>
<tr>
<td>Electricity distribution</td>
<td>CG</td>
<td>CG</td>
<td>P</td>
<td>CG</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads</td>
<td>S</td>
<td>S</td>
<td>S</td>
<td>S</td>
<td>S</td>
<td>S</td>
<td>0 0.94 0.06</td>
</tr>
<tr>
<td>Local transport</td>
<td>P</td>
<td>SNG</td>
<td>S</td>
<td>SNG/F</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity production</td>
<td>CG</td>
<td>CG</td>
<td>P</td>
<td>CG</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Percentage share of responsibilities in 17 sample countries

Local government accountability

In Ghana, the locally elected councilors are supplemented by councilors that are appointed by the central government or President in order to provide a balance between the national interests and the local interests and to ensure a sufficiently qualified input in the local decision making process. The central government (often the minister of local government) has the power to investigate and even dismiss a council in situations where irregularities have appeared. It is often not clear from the legislation what specific
conditions are required for this intervention and the conditions for the timing, the exact sanctions, and the adjustment to a "normal" situation is often not clearly delineated. Local government accountability tends to be upward orientated due to the combined effect of strong financial dependence on central government funds on the one hand and political loyalty towards the center on the other. SNG’s accountability towards their citizens is weak with regard:
- financial transparency, control and information to citizens;
- setting priorities and expenditures in ISP;,
- staffing and organizational development/management, and
- control on the land development and planning (as no ownership rights);

Citizen participation

There are several mechanisms through which citizens have the possibility to express their views through:
- voting during local elections every 3-5 years
- information sharing through the establishment of a national commission on Civic Education; and
- coordinative bodies for the input into District Development Plans as part of the decentralised planning system;

In addition, the citizens’ influence on local decision-makers has been enhanced by the development of a larger number (and/or tiers) of SNGs. At the same time, the smaller units of SNG have a certain influence on the higher level SNGs and the system is characterized by a high ratio of politicians/inhabitants.

On the other hand, however, there is little citizens can do to express their views in between elections, participate in the building of the budget and to exercise control over accounts. The latter is constrained by the lack of up-to-date accounts, lack of user-friendly accounting systems, and not being familiar with financial control and audit mechanisms.

Issues and challenges to be addressed

Political decentralization

- Growing disputes over local government boundaries, as there is an absence of maps that firmly identify boundaries. These are necessary so that SNGs can plan development within their jurisdictions;
- Conflicts stemming from the fact that 30% of the District Assemblies are appointed by the national government. There is therefore a strong national presence within the DAs, promoting allegiance to more than one boss, and more to the centre;
- There are difficulties in managing the power balances within the DAs.

Administrative decentralization

- Differences in the interpretation by the sectoral ministries of the decentralization policy and what this means for the transfer of power, functions and resources. There is little clarity at the various levels of government and within the different sectors on how these should be defined and managed;
- This also includes differences in approaches to institutional reforms to achieve Decentralized management: i.e. the restructuring of ministries and the integration of departments into various subnational government (SNG) levels;
- A shortage of personnel at the SNG levels, as the incentives and work conditions are unattractive. The current staff has skills that do not match the requirements of the demands of their jobs;
- Inadequate funding as funds are still being held at the centre;
- Both national initiatives and donor activities are largely uncoordinated making much of the development uncoordinated. These do not fit into a strategic framework;
- Uncertainty on the part of the civil service how reforms will affect them, this brings about problems of motivation and morale.

**Fiscal decentralization**

- Current legislation and practice continue to centralise public finance. Funds continue to be held in the central ministries and departments while functions have been transferred to the DAs;
- Conflicts in budgeting requirements, in that SNGs are required to budget and report, integrating all sectors, while sectoral ministries execute financial reporting on sectoral lines; the national budgeting and accounting systems are also difficult to align with the accounting needs at the local level;
- Current difficulties on institutionalising effective mechanisms for revenue generation. Finding and retaining the staff to do so is a major challenge.

**Decentralized planning**

- The absence of up-to-date maps and databases for the purpose of planning, and revenue mobilisation;
- Personnel with the appropriate skills are lacking;
- The levels of government closest to the community are small and ill-equipped to manage the bottom up process of democratic decision making required of them;
- Co-ordination of activities is still difficult as the top down attitude of the sectoral departments precludes independent and responsive decision making on the part of the SNGs.