

CHAPTER 4

TRACKING THE GHANA DISTRICT ASSEMBLIES COMMON FUND

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Over the past few decades, Ghana has received billions of dollars of overseas development assistance to support its economy and development. Currently, close to 40 percent of Ghana's annual domestic budget comes from external sources. It is becoming imperative for civil society to be actively involved in budget formulation, implementation, monitoring, and evaluation at both the central government and local government levels. The challenge, however, is civil society's inability to make its voice adequately heard and to hold the authorities and themselves accountable.

To improve development effectiveness and facilitate local participation in budgeting and planning, the central government decentralized power and resources to more than 100 district assemblies (DAs). The District Assemblies Common Fund (DACF) was created in 1993 to provide adequate and reliable funds for DAs. As one outcome of a 2002 World Bank and British Department for International Development (DFID) workshop on public resource management and social accountability, a number of nongovernmental organizations (NGOs) committed to promote civil society participation in public resource management and to monitor and evaluate public expenditures, focusing on the DACF.

The DACF tracking initiative revealed major weaknesses in DACF administration, including delays in allocations and disbursements to DAs, lack of transparency in selection of projects and contract awards, and political and central government interference in the use of the fund. It also found that the DACF disbursement formula favored wealthier districts

and that community members often were not consulted in the selection of DACF projects.

On the positive side, the tracking initiative was highly participatory and brought together local stakeholders who had not known about DACF and had never before seen themselves as part of the solution. It brought the community closer and developed its capacity in terms of knowledge and the ability to meaningfully engage local government authorities in policy dialogue. As a result of the initiative, civil society organizations (CSOs) are now motivated to participate in DACF and Poverty Reduction Strategy Paper (PRSP) monitoring and evaluation. The government also has begun to modify the budget process.

The expenditure tracking exercise has not been repeated, however, and a one-time exercise may not have any lasting impact or benefits.

This chapter discusses how civil society can be empowered to play a critical role in social accountability in Ghana. It focuses on two studies conducted in tracking the DACF and independent budget analysis. It describes the tools that were used in both initiatives, the target audience, the main findings, and the lessons learned.

POLITICAL AND ADMINISTRATIVE CONTEXT

Ghana is a multiparty parliamentary democracy based on the 1992 constitution. It provides for an executive president and a unicameral 200-seat parliament. Since 1992, there has been a gradual deepening of democracy. In 2000, for example, there was a peaceful election and transfer of power from a president and the National Democratic Congress party, which had been in power for nearly 20 years, to one of its chief opponents, the New Patriotic Party.

Ghana has decentralized central government administration to the local government level. There are regional coordinating councils for each of the 10 administrative regions, and 138 metropolitan, municipal, and district assemblies (MMDAs) that involve local communities in the formulation and implementation of government policies and general development.

The 1992 constitution guarantees freedom of association. This has contributed to the healthy environment for civil society formation and operations in Ghana. The past decade and a half, in particular, has seen exponential growth of CSOs in Ghana. They have grown in numbers and range of activities as well as in response to the challenges and opportunities

of reducing poverty, promoting human development, and strengthening democratic governance. The proliferation of CSOs, however, also has brought some organizations that misuse and misappropriate resources; generated technically weak projects funded primarily to showcase donor activities; and increased mutual mistrust between government and civil society.

Public forums, press conferences, and press releases promote evaluation of public services. There is media freedom and pluralism with more than 20 public and private radio stations and four television stations in the national capital, Accra. There are many public and private newspapers, especially in Accra, and circulated throughout the country. There is no control over what these stations broadcast and what the numerous newspapers publish although there is a media commission that mediates in disputes.

According to recent reports from the Ghana Integrity Initiative and the Center for Democratic Development Ghana, Ghana suffers from a high level of corruption. The reports mentioned corruption in the judiciary, security services, civil society, and the private sector. The perception among the population is that the central government, while professing to champion the rule of law, is doing little to fight corruption.

With an annual per capita income of about \$300, Ghana is a poor country. Unsuccessful efforts at poverty reduction are blamed on poor macroeconomic performance and inadequate focus on poverty and non-export agriculture, especially in poor, remote regions. The underlying causes of this poor performance include poor planning and implementation of government budgets and policies; weak linkages between policies, strategies, and programs for employment and poverty reduction; and insufficient capacity to implement the programs.

Ghana's decentralization process involves the transfer of responsibilities for services and infrastructure from the central government to the MMDAs. Decentralization requires the transfer of resources to local authorities because most of them cannot generate sufficient funds. These resources include the DACF, a statutory fund for the transfer of central government resources to local authorities; the Heavily Indebted Poor Countries (HIPC) Account, created for the administration of HIPC debt savings; and the Ghana Education Trust Fund, created for education expenditures. These resources are earmarked for basic infrastructure and service delivery, particularly for health, education, water and sanitation, and income-generating activities.

There has been no serious assessment of the efficiency and effectiveness of the use of these substantial resources or of their impact on poverty reduction. Moreover, the general public has complained about financial improprieties in the use of these resources.

THE DISTRICT ASSEMBLIES COMMON FUND

In 1993, Ghana's Local Government Act created 110 assemblies (later increased to 138) at the metropolitan, municipal, and district levels to be the seats of local administrative and development decision making. Among each assembly's powers is its planning authority in the district, including responsibility for preparing and implementing development plans and budgets. The assembly also is expected to mobilize resources, develop local infrastructure, and promote the development of local productive activities with the help of central government institutions (also decentralized) to operate as part of the DAs as a whole.

The DAs reflect the government's commitment to decentralization as a mechanism for bringing government closer to the governed. The goal is to improve public administration by empowering local authorities to be the planning and decision-making bodies, thereby facilitating local participation.

To ensure that DAs have adequate, reliable revenue sources, the DACF was established to serve as the mechanism for transferring resources from the central government to the local authorities (the MMDAs). One of the purposes of the DACF was to prevent severe imbalances in the regional distribution of wealth and development that decentralization might create, because the resources of local authorities are often unequal. By law, 5 percent of Ghana's total revenue should go to the DACF for distribution to MMDAs, mainly to undertake development projects and specific programs. Despite this requirement, the MMDAs have limited sources of revenues for carrying out their activities. These include the DACF, grants, transfers, ceded revenues, external credits, land rates, mineral royalties, and other internally generated funds.

The Ministry of Finance and Economic Planning (MFEP), the Ministry of Local Government and Rural Development (MLGRD), and the Controller and Accountant General's Department (CAGD) are involved in the disbursement and supervision of the DACF. The administrator of the DACF must propose the sharing formula within six months of his or

her appointment and within three months of the end of each fiscal year. However, both the MFEP and the MLGRD determine aspects of district budgets that can be financed from the DACF.

As a response to Ghana's Poverty Reduction Strategy (PRS), the current formula has been made more pro-poor with more attention to health, education, and water and sanitation. The DACF ceiling is based on budget revenue projections for the year, and after the parliamentary approval of the formula, the district allocations are announced. Districts must submit supplementary budgets proposing the use of funds before DACF allocations are released to them. When the assembly approves projects, they are awarded on the advice of the district tender board. The General Assembly must provide the final approval before the contract is awarded. Projects are monitored by project monitoring teams, but project consultants may prepare payment certificates. The district coordinating director and the district finance officer are signatories for payment.

The DAs face considerable problems, including limited capacity and lack of appropriate skills for financial management, budgeting, and program and project implementation. This situation is exacerbated by inadequate supervision and weak oversight. Because of the DAs' prominent role in rural development, several communities are seeking new districts—a situation that could be exploited for political gains. In addition, audit reports on the DACF have shown several common improprieties, including misuse of funds, failure to deduct the 5 percent withholding tax on contract payments, questionable payments for incomplete projects, overdue loan repayments, and goods paid for but not delivered.

In addition to the generally slow decentralization process, Ghana faces several other major problems regarding fiscal decentralization, in particular:

- The lack of reliable and timely flow of funds to the districts hampers development, especially in the poorer districts.
- MMDAs' ability to generate their own resources for development projects and service delivery is hampered by huge leakages in revenue collection and accounting.
- The reluctance of central government agencies to decentralize the ministries and their proper integration at the district level creates structural problems, including payments for contracts executed at the district level.

- The generally poor capacity of DA members and officials, local CSOs, and much of the population to deal with budget issues has been used as an excuse for withholding funds from the DAs. As a result, the DAs are plagued by complaints, misuse of public resources, alleged political interference, and similar problems.

The DACF has faced additional problems that affect DA performance. Some MMDAs fail or refuse to follow guidelines for the use of the DACF. The Regional Coordinating Council and the central government are partly to blame for this failure because they sometimes issue directives for the MMDAs to release monies for activities that are not directly their responsibility.

However, the DACF's main problem concerns frequent delays in disbursing the fund to the DAs. There have been delays of more than one year, resulting in the failure to disburse funds to the MMDAs despite the constitutional requirement to pay funds into the DACF. Thus, DA complaints center on delays in releasing their shares or their full allocation. There are even complaints about the MLGRD interfering with the disbursement of the DACF. This affects DA budgeting, especially if the DAs have to divert funds from budgeted projects to unbudgeted expenditures, leaving contracts unpaid for long periods. Complaints also have surfaced from the general public and in media reports about alleged misapplication and financial malpractice in connection with the disbursement and use of DACF proceeds.

The effectiveness of monitoring and evaluation, especially by civil society, depends on the ready availability of the necessary information from national and local government. It is crucial that civil society take steps to track the flow of resources, not only from the central government to the MMDAs but also from local revenue sources to these assemblies. It should be possible to trace the flow of resources from origin (the Consolidated Fund) to destination (the DA) and determine the location, scale, and anomalies (if any) of disbursed funds. Expenditure tracking highlights both the use and abuse of public money and provides insights into resource capture, cost efficiency, and accountability.

INDEPENDENT BUDGET ANALYSIS

The overall goal of independent budget analysis (IBA) is to enhance public resource allocation and to better address the needs of the poor and

socially marginalized. It covers national and local government budgets, focusing primarily on the social sectors: health, education, social welfare, and water and sanitation. Special attention is paid to public policies in these sectors (as contained in both the national and MMDA budgets) to ensure that they are pro-poor. IBA seeks to accomplish these goals:

- Demystify economic decision making and budgets through economic literacy campaigns and creating awareness. This goal particularly entails demystifying the highly technical and inaccessible budgets often left to technocrats at the Ministry of Finance and Economic Planning and to bringing debates and issues related to the formulation and implementation of budgets to a wider audience.
- Analyze national and local authority budgets to influence them. Public participation promotes transparency, effectiveness of the legislature, and social accountability.
- Study and use alternative budget and planning models such as the Distributive Effects of Economic Policies (DEEP) model for analyzing budgets and development policies.
- Collaborate with partners in disseminating research findings and budget information to all stakeholders and the public.
- Influence the budget process through evidence-based research and analysis, lobbying, and working with networks and partnerships.

More specifically, the IBA initiative seeks to address the following accountability problems:

- Lack of equity in the generation and allocation of public resources
- Waste, corruption, and inefficiency in the use of public resources
- Lack of a voice for the poor and marginalized
- Domination of policy design and budgeting by external players, leaving little space for local players

IBA also recommends ways to fill budget gaps based on the goals below. These recommendations empower civil society groups and other stakeholders to engage in the budget process through the creation of public awareness while also equipping these groups and stakeholders with necessary skills. The IBA aims to determine the extent to which Ghana's national and local budgets ensure that the following goals are achieved:

- Allocate adequate resources for poverty reduction
- Ensure that most citizens have increased access to basic social services
- Adequately address equity concerns in resource allocation

- Expand democratic space through greater civil society involvement in governance
- Increase participation in the budget process to ensure better prioritization
- Consider alternative policy priorities to ensure that the best policies are adopted

TRACKING DACF DISBURSEMENT

“Tracking the Disbursement of the District Assemblies Common Fund” was a pilot study conducted to promote participation in managing public resources and monitoring public expenditures (King and others 2003). The study represents a form of civil society involvement in public expenditure monitoring and participatory mechanisms for social and public accountability in Ghana in light of the importance of the PRS and the role of the DAs in implementing it. The following CSOs supported and produced the study: the African Development Programme (ADP), the Integrated Social Development Centre, Friends of the Nation, the Muslim Relief Association of Ghana, and the Centre for the Development of the People, in collaboration with DFID and the World Bank.

The DACF was selected for study because DAs are in close contact with people, and the DAs’ activities most directly affect the lives of the poor. Furthermore, the largest source of funding for most of the MMDAs is the DACF, which comes from the Consolidated Fund into which every Ghanaian contributes. The efficient use of the DACF is, therefore, in the interest of all Ghanaians, whether or not they stand to gain personally from it.

The DACF disbursement-tracking study was an outcome of a three-day workshop conducted by the Ministries of Finance and Economic Planning and Regional Integration, in collaboration with DFID and the World Bank. More than 50 participants from government agencies, CSOs, and donors attended the workshop, which deliberated on concepts and practices in public and social accountability, public expenditure management, the Ghana PRS, and plans for a national monitoring and evaluation system for the PRS.

Resource persons, including donor representatives, emphasized that effective progress on the PRS depended on civil society. Civil society, as the beneficiary of PRS programs and projects, is in a privileged position to monitor and evaluate PRS implementation. Therefore, CSOs called for a

unified approach to accounting and reporting to avoid overburdening the system and to make it easier for civil society to undertake its monitoring and evaluation role. They spoke about areas of analysis of public resources management, including participatory budgeting, demystifying the budget process, expenditure tracking, surveys on the quality and delivery of public services, and the key outcomes of public expenditures.

At the end of the workshop, various civil society groups and individuals agreed to act, over the following 12 months, to advance participation in public resource management and public-expenditure monitoring and evaluation. A Decentralization Group, formed at the end of the workshop, offered to track DACF disbursement in selected DAs. Tracking the DACF started as a pilot exercise in 2003 in four districts and was extended to cover 10 more districts.

The targets of the study were parliamentarians, traditional authorities, security services, market women, religious leaders, DA officers and staff, regional coordinating committees, teachers, youth, and drivers unions. The study recommended improvements in the administration and use of the DACF and specifically sought to determine whether

- DACF guidelines were followed in the allocation and use of the fund.
- Resources allocated by the DACF administrator were fully released to the MMDAs.
- Funds received by the MMDAs were used for their intended purpose.
- Disbursement processes were transparent and followed established procedures.

METHODOLOGIES AND TOOLS FOR IBA AND DACF TRACKING

The Centre for Budget Advocacy (CBA)¹ was not the first organization in Ghana to conduct IBA or similar analysis of economic policy instruments, but it was the only organization to have focused specifically on publishing budget analysis and using it for advocacy.² The CBA combined eight kinds of analysis, conducted continuously throughout the year: budgetary process analysis, general economic analysis, budget expenditure analysis, sector-specific analysis, analysis of effects on different population groups, revenue analysis, advancement of budget literacy and provision of budget training, and evaluation of public services and programs. This section

describes how the CBA used each of these kinds of analysis for the IBA initiative in Ghana.

Budgetary process analysis. The CBA began its IBA initiative by commissioning a paper on Ghana's budgetary process as a basic tool for identifying the process's various stakeholders, processes, and legal framework. This analysis assessed the knowledge of and general transparency surrounding the budgetary process, including access to budget information and the extent of the legislature's participation in budget decisions. The CBA sought to assess how easily public information can be accessed at the regional and district levels. The paper also outlined the basic administrative steps involved in formulating, approving, and implementing the budget (Azeem and Adamtey 2004).

General economic analysis. This analysis is usually divided into four main parts: (1) review of the previous year's budget performance, (2) overview of the current budget's macroeconomic framework, (3) analysis of the revenue measures to generate the required funds to execute the budget, and (4) analysis of the expenditure allocations, with special focus on the social sectors.

Budget expenditure analysis and sector-specific analysis. The initiative combined budget expenditure analysis with sector-specific analysis, focusing on the budget's implications for health and education. Expenditure analysis examines the details of expenditure allocations and compares planned expenditures with the actual budget of the previous year. It also analyzes discrepancies in the implementation of the budget. Related to this is an analysis of the potential effects of the budgets on different population groups, particularly the poor, the vulnerable, women, and children. The CBA also examines the policy implications of budgets for human rights.

Distributive effects of economic policies. To further enhance efforts to assess the effects of economic policies, particularly pro-poor policies, the CBA has been working on its economic model, DEEP, to forecast the impact of intended policies and thereby guide policy makers. This model is in its final stages and would enhance the CBA's budget analysis because it could present evidence to support its analysis.

Revenue analysis. Civil society groups working on budgets tend to focus on expenditure allocations alone, ignoring the most important part of the budget: revenue mobilization. Revenue analysis is important not only because the budget is useless without revenue but also because the methods for such revenue generation have serious implications.

The revenue analysis assesses the microeconomic and macroeconomic effects of tax increases or cuts, the tax collection capacity of the government, and new policy initiatives in this area. The CBA published a booklet, *Taxation in Ghana Made Simple*, to help citizens understand the tax system (Azeem 2002).

Advancement of budget literacy and budget training. Since its inception, the CBA has advanced budget literacy and budget training targeted at civil society groups, the media, legislators, and members of the executive branch, with an emphasis on DA members and staff. The training of local government staff, legislators, and civil society groups on pro-poor planning, budgeting, and policy analysis equips stakeholders to analyze the budget and to improve their budget making process (in the case of budget staff and legislators) and their advocacy work (in the case of civil society and advocacy groups). The aim is to provide accessible materials and training on budget-related issues. The initiatives have been influential in building capacity among DA staff and members, civil society, and the general public, and have led to greater accountability around the budget, especially at the DA level.

Evaluation of public services and programs. The CBA organizes annual public forums and press conferences on the annual budget in all 10 regions of Ghana and disseminates its analyses without government interference. These public forums start the analysis process, are open to all citizens, are widely advertised, and attract the general public and experts who make presentations. The reports of these public forums are published in at least two newspapers and are sent to the president as an open letter. However, many Ghanaians view budgets as technical documents and policy instruments that cannot be easily understood. Attendance at these forums is low, especially among poor and illiterate citizens.

The tracking of the DACF and other central government transfers to local authorities involves the poor and other stakeholders through focus group discussions on resource flows, their use and usefulness, and measures to improve their effectiveness. The community assessment involves community meetings to assess service delivery and interface meetings with service providers to discuss the results of the assessment. During the community meetings, citizens are made aware of their rights, what resources have been earmarked for them, and what they should expect and demand from service providers. At the interface meetings, they also have the opportunity to raise their concerns with service providers and DA officials.

The service providers explain policies to the communities, thus building their capacity and sensitizing them on local development issues. However, this community assessment exercise has been undertaken only on a pilot basis.

Generating public interest in budgets and getting public officials to accept civil society intervention and inputs into the budget process has not been easy. Most people think the budget statement is too technical for easy comprehension. There are high levels of economic illiteracy and public apathy. Documentation on the DACF and projects undertaken with the fund is either not available or not easily accessible. And community members have little knowledge about the guidelines, disbursement, volume, and use of the DACF. This limited information and knowledge, in turn, limits citizens' ability to demand accountability from district authorities in charge of the disbursement of the fund.

In addition, public officials have been part of the challenge because they are reluctant to accept and work with civil society. Long-standing mutual mistrust between the government and civil society is the underlying problem.

MAIN FINDINGS ABOUT THE DACF

The records at the Office of the Administrator, the Controller and Accountant General's Department, and the DAs—in addition to the one-to-one interviews and focus group discussions—showed major weaknesses in DACF administration. These weaknesses included delays in allocations and disbursements to DAs, lack of transparency in selection of projects and contract awards, and political and central government interference in the use of the fund.

The study's most important finding was that, during the four-year period (1999–2002), the MFEP never released the full allocation to the administrator of the Common Fund. Table 4.1 shows the DACF disbursements. Previously, allocations had been equal to or more than the statutory 5 percent of tax revenue. More worrying is the fact that the government was not even able to disburse the amount that it declared as the transfer to the DACF, which suggests that there might have been diversions to other uses. Furthermore, the MLGRD had no means of verifying or challenging the MFEP on the amounts declared as the statutory allocation of 5 percent of total tax revenue to the fund.

Table 4.1 Disbursements to DACF, 1999–2002
cedis billions

Fiscal year	Total tax revenue	5% of tax revenue ^a	Projected MFEP release to DACF ^b	Actual MFEP release to DACF
1999	3,116.9	154.5	165.0	126.3
2000	4,414.7	220.7	211.5	192.3
2001	6,556.9	327.8	296.6	296.7
2002	8,132.0	406.6	367.9	109.7

Source: Ghana Controller and Accountant General's Department.

Note: MFEP is the Ghana Ministry of Finance and Economic Planning. DACF is the District Assemblies Common Fund.

a. By statute, 5 percent of tax revenue is allocated to DACF.

b. Amount declared by the government to be transferred to DACF.

Second, the study discovered multiple delays throughout the disbursement process, starting with the submission of the proposed guidelines to parliament, getting parliamentary approval for the guidelines, making the allocations, disbursing the funds to the MMDAs, and finally, receipt of the funds by the DAs. Furthermore, the study found large delays between releases by the MFEP, transfer by the CAGD, and payment by the Bank of Ghana. However, these gaps have decreased significantly since 2001.

The delays in disbursements to DACF occur for several reasons:

- The government may lack funds or have too many competing demands on resources (for example, paying debt savings into the HIPC account to meet donor conditionalities at the same time that the DACF allocation is due).
- The formula for disbursement must be approved every year; a delay in parliamentary approval of the proposed allocation formula also delays disbursement.
- Government fiscal and monetary policy concerns may result in withholding disbursements to help control money supply.
- Some DAs fail to meet deadlines for submitting supplementary budgets and reports on use of previous allocations—both of which are required for new disbursements.

The late release of the fund is a major constraint on the districts' development efforts because most MMDAs depend on the fund for development projects, poverty alleviation loans, and service delivery.

Late disbursement potentially increases DACF project costs and also disrupts DA budgeting and planning.

A third major finding is that the DACF is far in arrears. Since 1999, DACF disbursement gradually fell behind schedule and reached its nadir in 2002. By April 2003, the allocation disbursements for the first quarter of 2002 were still being made in installments.

The amounts the DAs received agreed with the figures released from the office of the Administrator of the Common Fund. However, the DAs released the amounts contained in the administrator's letters of allocation instead of the amounts they actually received. These figures did not agree with the figures released from the MFEP. One reason for this discrepancy is that some releases for the year were made in subsequent years. However, the main reason is that the central government deducted various amounts from the assemblies' DACF disbursements, including these general deductions:

- Two percent for the Institute of Local Government Studies for DA staff training expenses
- Bulk purchases
- Annual contributions to the National Association of Local Authorities of Ghana
- Other deductions determined on an ad hoc basis—for example, required contributions to the Sister City Program conference held in Ghana for those DAs that participated in the program

In addition to making its own deductions, the central government issues directives and guidelines with the DACF releases concerning how to use the disbursements. The DA's entitlement is divided into two categories: those determined by the central government and those decided by the DA. The central government mandates the following allocations:

- *Productivity improvement and employment generation fund* (20 percent) for credit to micro-, small-, and medium-scale enterprises in each district
- *Self-help projects* (10 percent) to support community-initiated projects
- *District Education Fund* (2 percent) to provide scholarships or repayable loans to needy students in the district
- *Establishment and strengthening of substructures of the assemblies* (5 percent) to provide offices, furniture, and equipment for the DAs' area councils, zonal councils, and unit committees

- *District Response Initiative* (1 percent) for HIV/AIDS
- *Malaria prevention fund* (1 percent)

After allocating these mandatory expenditures, the DA is left with only 61 percent of the DACF disbursement for its own priorities. Even then, the law requires that these priority areas include addressing the needs of vulnerable groups and promoting income generation. Specifically, the law requires that expenditures target the following areas:

- *Social services*: education, health, electrification, water supply, housing, sports, and recreation
- *Environment*: sanitation, drainage systems, waste management, and environmental protection
- *Economic ventures*: energy, markets, industry, agricultural services, roads, streets, bridges and culverts, information and communication technology, private sector support, and counterpart funding
- *Administration*: human resource management, office facilities, equipment, and project management

Fourth, the study also had major findings about the DAs. In general, the DACF was seen as a suitable mechanism for providing resources to the districts for basic infrastructure. The DACF has increased governmental resources and services at the district level. The problem is that both community and assembly officials view the formula for DACF disbursement as favoring wealthier districts, which widens the gap between rich and poor districts. This bias was reinforced by the disbursement of the HIPC Account to the MMDAs in 2002, when the metropolitan assemblies received the largest share, followed by the municipal assemblies, while the 103 district assemblies received smaller shares. However, the formula has become more pro-poor over time.

Generally, project selection was based on the guidelines for use of the fund. However, community members often were not consulted in the selection of DACF projects, which in most cases led to the selection of projects they felt did not meet their needs. This can undermine the sustainability of projects. However, in some cases, the people were consulted about DACF project selection. In Suhum, for example, the planning committee met with stakeholders at the executive and subcommittee levels to select projects, which the DA then approved.

Political patronage can also jeopardize the disbursement and efficient use of the DACF at the district and community levels. There was a general

lack of transparency in tendering procedures and contract administration. This reduces the ability of DA members to monitor projects in their communities. The DA assesses the quality of projects undertaken with the DACF through a monitoring and evaluation team.

CONCLUSIONS AND LESSONS LEARNED

The CBA initiative (administering the questionnaire and the public forums) brought together district stakeholders who had neither known about the DACF nor saw themselves as part of the solution. These included market women, youth and religious leaders, members of the security services, traditional authorities, drivers, and teachers. As a result of the initiative, CSOs are now motivated to participate in DACF and PRSP monitoring and evaluation. The problem is lack of funding to mobilize and train the communities and the remaining districts.

Participation of the poor was facilitated because the researchers involved community institutions in administering the questionnaire and the focus group discussions. The initiative brought the community closer and developed its capacity in terms of knowledge and the ability to meaningfully engage local government authorities in policy dialogue. Indeed, the initiative had strong mobilizing and empowering elements. The danger was that it risked being captured by politicians who might see such initiatives and social accountability tools as threats.

This initiative has not been institutionalized. The ADP, CBA, and their partners see themselves (and others) as institutions that are ready to continue the linkages established with parliamentarians, communities, government, media, market women and traders, security servicemen, and others. The expenditure tracking exercise has not been repeated. How, then, can the people hold their leaders accountable more meaningfully, such as through this social accountability initiative? A one-time exercise may not have any lasting impact or benefits.

Regardless, both case studies—the pilot study involving the several international groups and the CBA's independent budget analysis of the DACF—demonstrated some positive results. They found, for example, that the 1992 constitution of the Republic of Ghana had guaranteed a conducive environment for CSOs that enabled the CSOs to undertake their activities without fear or intimidation. Civil society must work hard to protect and defend its constitutional rights.

The willingness of the NGOs to be involved in the case studies demonstrated they were willing to take on such work under challenging circumstances. These and other CSOs must be empowered to undertake similar activities in the remaining districts and train local organizations to engage more meaningfully with local authorities. Donors and development partners need to support more of the CSOs' confidence-building measures and flexible funding strategies. Sometimes, CSO representatives felt humiliated by the delays and donor impositions before funds were released.

The primary outcome of the case studies was the increasing interest of many citizens in the DACF and IBA initiatives. An improved budget system, however, is less assured. The government has now decided, in response to civil society activities, to have parliament approve the budget before the beginning of the fiscal year. The government is now soliciting public views on budget policies during budget formulation. Ghana's continued dependence on external financing and accompanying policy prescriptions constrain government's acceptance of CSOs' policy recommendations.

Except for inputs from a few research and academic institutions that undertake analysis for academic purposes, there is a general lack of knowledge and awareness of budget processes in Ghana, even among legislators and other public officials involved in it. As a result, an intensive budget literacy campaign among civil society is necessary if pro-poor budgets are to be achieved. There is also a need for collaboration among CSOs in Ghana and with international groups doing budget work. The international groups can provide important information about donor programs and conditions, which are not easy to obtain in-country. They can also arrange meetings with donors and other power brokers to enable CSOs to voice their views on policy reforms.

During the DACF studies, a strong relationship developed between the government, development partners, and the study team. The involvement of the government and communities in the study right from the beginning helped ensure that their perspectives would be taken into account and would facilitate the team's work. Having people from all sectors and backgrounds involved in the study was invaluable.

Finally, the tendency to underestimate the knowledge and contributions of people from the grassroots must be overcome. It is still the case that the people most affected by the outcome are left out of discussions on policy development, implementation, monitoring, and evaluation. Every effort must be made to change this situation.

NOTES

1. The CBA is part of the Integrated Social Development Centre (ISODEC). <http://www.internationalbudget.org/groups/ghana.htm>.
2. The Institute of Social, Statistical and Economic Research, the Centre for Policy Analysis, and the Institute of Economic Affairs have conducted economic analysis over the past decade.

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