

**Key Note Address Delivered by Hon. Kofi Poku-Adusei (MP),
Deputy Minister for Local Government, Rural Development
and Environment at DISCAP'S Best Practices Conference:
Decentralised Management in the Context of GPRS and MDBS
Held at ILGS and Miklin Hotel from 8TH -9TH May, 2007**

**Colleague Minister of State,
Hon. Members of Parliament,
Director ILGS,
Development Partners,
Distinguished Invited Guest,
The Press,
Ladies and Gentlemen,**

It gives me great pleasure to welcome you at this Best Practices Conference. It is through such conferences that we learn about the effects of some of the policies and procedures that Government puts forward. Moreover, I think that the regular interaction between policy makers, practitioners and academics is highly important to keep the debate on decentralisation vibrant.

I am sure that you will agree that the theme of the Conference is highly relevant, if only because the MDBS has become an increasingly important instrument to mobilize resources and coordinate development efforts.

Ladies and Gentlemen

The theme has also been selected at a very opportune moment, because, as I'm sure you know, the Ministry has recently initiated a number of key developments in the decentralisation process. I will return to these later.

In addition, the theme is relevant because of the argument that the GPRS and the increasing importance of the MDBS can potentially undermine Government's decentralisation efforts. The proponents of this argument point out to the fact that the GPRS and the MDBS tend to centralise, rather than decentralize, decision making power and the control over resources.

Before I will go into a bit more detail, I think I should take this opportunity to commend DISCAP for organizing this event and, in doing so, for providing a range of stakeholders with the opportunity to discuss this important issue. I would like to also thank our Institute for graciously offering to host the conference.

Ladies and Gentlemen

As I mentioned in my opening remarks, there have recently been a number of very promising developments in the decentralisation process. Let me mention but a few.

First of all, we have seen the passing of the Local Government Service Act, which calls for the administrative integration of 17 sector departments in the Assembly structure and the establishment of a local government service.

Second, two inter-ministerial working groups have been assigned to come out with recommendations for adjustments to the legal framework for

decentralisation and the design of an inter-governmental fiscal framework. You will agree with me that both issues are of crucial importance.

Third, my Ministry has come out with a proposal for a harmonized and performance based funding modality for the Assemblies, known as the District Development Fund. The DDF seeks to increase the transfer of discretionary funds to the Assemblies, but only if the Assemblies can show that they have the capacity to manage these funds. Under the DDF, good performance will be rewarded with additional funds, while weakly performing Assemblies will be assisted with tailor-made capacity building support.

As most of you might know, CIDA took on board a number of principles that guided that development of the DDF in the design of the District Wide Assistance Project.

Fourth, the Ministry and its Development Partners recently conducted a Joint Decentralisation Policy Review, an exercise that clearly confirmed the joint commitment to the reform process. The Policy Review not only mapped out the opportunities and challenges in the reform process, but also came out with a range of clear policy recommendations.

Ladies and Gentlemen

All these developments culminated in the formulation of a Comprehensive Decentralisation Policy Framework, which has very recently been submitted for Cabinet endorsement by my Ministry. The Policy Framework is comprehensive in that it addresses all critical dimensions of decentralisation namely: political, legal, policy, administrative, fiscal and institutional. A critical task for the

coming months will be to translate the policy framework into a well-sequenced, prioritized and costed implementation strategy.

Ladies and Gentlemen

With regard to theme of this Conference, I would like to end this opening address by pointing out a number of issues that are worth discussing.

It is my opinion that the MDBS is not conflicting with Government's decentralisation efforts. First of all, because the actual volume of resources that MDBS represents does not justify this claim and second, because progress on decentralisation is actually firmly anchored in the MDBS policy matrix.

It is interesting to note that the preamble of the GPRS indicates that the GPRS will be implemented within a decentralized system. I therefore throw this challenge to all of us to debate on how to ensure that it becomes a reality.

I am convinced that questions like these, and the quality of the participants that will discuss them, will guarantee a very successful second day of this event!

Let me end this address by assuring you that my Ministry is highly interested in the outcome of your deliberations and in your advice to Government.

I thank you for your attention.