

## ***Annex- 1.6B: Terms of Reference for Technical Adviser to MLGRDE/DDF S***

### **1. Background and Context**

#### **1.1 Introduction**

The 1992 Constitution of Ghana sets the principles for decentralisation by sanctioning the transfer of "functions, powers, responsibilities and resources" from central to local governments. The constitutional provision was subsequently elaborated in the Local Government Act no. 462 of 1993. While these developments set the scene for deepening decentralisation in Ghana, progress in the subsequent years was slow. The Local Government Service Act, foreseen in the 1993 LG Act, was enacted in 2003, and the fiscal decentralisation is still incipient.

However, in the past four years momentum for reform has picked up: Progress has been made in terms of developing a draft policy for decentralisation with a draft implementation plan, increasing fiscal resources available to the DAs, and creating a legal basis for giving the DAs control over human resources and drafting a work plan for implementing a new intergovernmental fiscal decentralisation framework. These achievements notwithstanding, there are still significant challenges: Accountability at the District level is limited and the provisions of the policy and laws need to be implemented. The development of appropriate LG financing modalities is a particular challenge but also an area where substantive progress recently has been made. This includes Treasury Reforms which over time will lead to transfer funds from various sectors more directly to MMDAs, increased allocations for the DACF as well as introduction of the DDF, which will provide more non-earmarked development funding to MMDAs that they can plan and budget for according to local priorities. The DDF is a performance-based grant allocation system, which means that the MMDAs will have to fulfil basic minimum conditions to get access to development funds. (These are described in the DDF/FOAT Assessment Manual and are primary related to financial management and good governance practices). Denmark has supported the development of the DDF and is disbursing funds through the DDF in 2008.

#### **1.2 Danish Support for LSDGP programme**

Danish support to decentralisation in Ghana will from 2009 combine previous sector support to rural water and sanitation and rural roads with support to decentralisation reforms into one integrated programme; the Local Service Delivery and Governance Programme (LSDGP) totalling DKK 600 million over five years from 2009-2013.

Efficient local government service delivery in Ghana has been impeded by a number of factors of which the following five are of pertinent importance: 1) Lack of funding to bridge the gap between expenditure needs and fiscal potential, 2) lack of sufficient strong incentives to improve the MMDA performance as funds are flowing automatically, 3) multiple funding flows each with their own planning, budgeting and financial management modalities reducing the possibilities for coherent planning and

increasing the transaction costs for all tiers of government, 4) lack of capacity at all tiers of government to implement the reforms and 5) absence of institutional structures at DA level.

The DDF is designed to address the first 4 of these challenges by increasing the discretionary funds available for MMDAs for local service delivery in development oriented areas. Most of the existing DACF funds (which flow directly to the DA's) are earmarked for specific purposes, as part of the funds are deducted by central government prior to transfers to MMDAs, and as the DACF is highly insufficient to cover the local development needs. The DDF is a welcomed contribution both in terms of bridging a part of the fiscal gap, but also to boost the local planning and prioritisation process and to increase the incentives to improve performance, coupled with means for capacity building support. The DDF has strong in-built incentives for the MMDAs to improve their performance in critical functional areas such as management and organisation, human resource development, planning and budgeting and financial management and accountability. Improved performance will be rewarded by an increase in the funding allocated to each MMDA from the development grant system. The system is focusing on the generic performance within the areas under MMDA command, and within areas of important for all service delivery sectors.

As part of the LSDGP, Danida will support the recruitment of an international Decentralisation Adviser who is posted in the Ministry of Local Government, Rural Development and Environment, MLGRDE and who is envisaged to provide technical support to the Ministry and to the DDF Secretariat in particular.

### **3. Terms of Reference DDF Adviser**

#### **3.1 Objective of the assignment**

The Adviser will be part of the MLGRDE, and will provide technical support to the Ministry. The advisor will be placed in the DDF Secretariat. The overall objective of the international TA is to provide technical advisory services to the Ministry on political, fiscal and administrative decentralisation issues in relation to the wider decentralisation reform process. Furthermore, the Advisor will provide services to ensure the effective functioning of the DDF secretariat in relation to its DDF-FOAT management tasks.

#### **3.2 Specific tasks and functions**

Upon approval of the MLGRDE, the tasks and functions of the Adviser will be fully aligned with the mandate of the MLGRDE and the DDF-S. Pending approval, the following is expected to be included in the Adviser's portfolio.

1. Provide policy and technical advice in relation to the formulation and refinement of the Comprehensive Decentralisation Policy and Implementation

- Plan and assist in the coordination of the implementation of the Policy and Implementation Plan.
2. Advice and facilitation in relation to the Ministry's participation in the Intergovernmental Fiscal Framework Task Force and assistance in the coordination of the implementation of the framework.
  3. Provide technical input to the further refinement and operationalisation of the DDF including;
    - a. Update and revision of the FOAT manual, taking into consideration crosscutting issues such as gender and environment.
    - b. Update and revision of the DDF formula and other grant design features,
  4. Assist the DDF Secretariat in monitoring of DDF expenditures and progress including:
    - a. The development and operationalisation of M&E system for monitoring of outputs produced by MMDAs using DDF funds,
    - b. Development of quarterly and annual summary reports,
    - c. Thematic analysis of reports,
  5. Support the DDF Secretariat in its endeavours to strengthen and institutionalise a policy dialogue and practical working relations between the key internal and external decentralisation stakeholders responsible for the implementation of the Decentralisation and Public Sector Reform agenda, this may include:
    - a. Assist in development of studies and guidelines on sector financing modalities,
    - b. Promote coordination between the DDF Secretariat and all agencies involved in the DDF implementation arrangements (CAGD, GAS, LGSS, NDPC, MoFEP etc.).including liaising with LGS in order to ensure e.g. relevant linkages between FOAT and capacity development support activities from LGS
  6. Provide technical inputs and QA to all TOR for studies funded under the supervision of the DDF secretariat and provide technical inputs to procurement of relevant consultants by way of developing relevant assessment criteria and assist in technical evaluation of bids,
  7. Promote coordination between DDF and Sector Support Programmes by initiation of relevant studies, workshops etc

The Adviser will work on the basis of agreed Annual Work plans between the MLGRDE PSC, and the RDE. If deemed necessary, adjustments to the Work plan can be made in mutual agreement.

The Adviser will on a daily basis report to the coordinator of the DDF-S and to the Chief Director of the MLGRDE. The agreed work plan will form the basis for annual performance assessments. Personal Evaluation Meetings between MLGRDE, Danida/RDE and the Adviser will be conducted on a bi-annual basis.

### **3.3 Qualifications**

- Masters degree or PhD in public administration, public finance, development studies or related and relevant degree.
- Experience from working with institutional development, reform processes and inter-ministerial coordination.
- A minimum of 10 years relevant work experience, including a minimum of 5 years of working in developing countries of which at least 2 should be from African countries
- Good English skills (oral and written).
- Experience of planning, implementing, monitoring and evaluating programmes and projects.
- Documented experience with design of fiscal decentralisation and local government finance

### **3.4 Timing**

The adviser will be recruited from January 2009 and for a period of 2 years with the possibility of extension.