**Advances in Social Sciences Research Journal – Vol.2, No.10**
**Publication Date:** Oct. 25, 2015
**DoI**:10.14738/assrj.210.1550.
Mensah, J. V., Adamtey R., & Mohammad, A. W. A. (2015). Challenges of Newly Created Districcts in Ghana: A Case Study of the Asante Akim North District. *Advances in Social Sciences Research Journal,* 2*(10)* 224-239.

# Challenges Of Newly Created Districts In Ghana: A Case Study Of The Asante Akim North District

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## Abstract

**In an effort to bring governance to the doorstep of the people, promote participation in development, provide the citizenry with better conditions of living through better service delivery at the local level, many countries decentralize power and resources to the lower levels through the creation of new districts. Although this is laudable, existing studies do not adequately explain the challenges faced by newly created districts and how these can be overcome. Questionnaires and interview guides were used to interact with 54 high profile officers selected from the administration of the District Assembly, decentralized departments of the Assembly, Town Councils and Unit Committees of the Asante Akim North District to explore the challenges they face. It was revealed that the newly created district faces challenges in the delivery of their mandate. The challenges included incomplete institutional setup, inadequate human resources of key departments, weak logistical capacity, weak financial resource capacity, and poor management of built and natural environments. It is recommended that for newly created District Assemblies to effectively deliver their mandate, the exercise should adopt a comprehensive approach where all key departments are established and made functional. The Ministry of Local Government and Rural Development and other relevant ministries should regularly build the capacity of these institutions to make them effective at all times. The newly created district should have its financial resilience built to ensure adequate financial resources for undertaking development programs and projects.**

**Keywords:** Decentralization, District Assembly, Ghana, New Districts, local governance

## INTRODUCTION

There have been many calls for decentralization in many developing countries. Decentralization has gained prominence in many African countries such as Uganda, Tanzania, Nigeria, Ghana, Benin, Burkina Faso, and the Democratic Republic of Congo. Even though the decentralization programs of these countries differ, there are some common features among them. One of such features is the existence of sub-national level administrative units (Akinyele, 1996; Malesky, 2005; Treisman, 2007; Green, 2008; Ayee, 2012). The decentralization

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programs of many countries evolve around sub-national administrative units called States (Nigeria, Sudan, Ethiopia), Regions (Ghana, Tanzania), Districts (Ghana, Uganda), Provinces (South Africa, Kenya) and many others. In some of these countries such as Ghana, more than one of these units or structures operate. However, the composition, structures, functions of these units are different in many countries.

There has been extensive academic debate regarding the virtues and vices of the creation of new districts (see Oates, 1972; Lyons & Lowery, 1989 cited in Ayee, 2012). While a group of scholars support the creation of new districts, there are other scholars who oppose this idea. The main argument for the creation of new districts is the desire to improve service delivery and to encourage lower level participation. Creating new sub-national units helps to improve service delivery (Akinyele, 1996; Malesky, 2005). The better performance of some new districts than their mother districts is usually used to support this argument (Onyach-Olaa, 2013).

This argument is simplistic given the fact that, in most cases, when new districts are created, the districts share staff, revenue base, and transfers from central government on a pro-rata basis with the parent districts until the time that the new district is able to be independent. This forms the basis of scholars who argue against the creating of new district. For example, according to Onyach-Olaa (2013), one of the districts (new or parent district) is bound to lose owing to the nature of the sharing. Creating new districts add more burdens on central government ministries in the aspect of supervision, inspection, mentoring and training towards maintaining standards of service delivery. In the view of Green (2013), the benefits of the creation of new districts are mostly limited to a small number of people who gain access to political or administrative offices and in some instances; it creates as many logistical and administrative problems. The debate around this phenomenon is summed by Green (2013) who noted that, the growing trend of creating new districts in Africa is ascribed to a variety of factors including improved service delivery, electoral calculations, gerrymandering, and ethnic diversity (Suberu, 1991; Mawdsley, 2002; Malesky, 2005).

While the intensity of academic discourse around the motives and relevance of the creation of more sub-national level administrative units is increasing more such units are being created. The number of districts in Uganda increased from 16 in 1962 to 72 in 2006 (Green, 2013), Ghana's districts increased from 65 in 1988 to 216 in 2012 (Ayee, 2012). Although many studies on the creation of sub-national level administrative units have covered wide issues ranging from the performance of these units to issues of their role in the promotion of democratic good governance (Green, 2008; Ayee, 2012; Bwanika, 2012; Green, 2013), issues on how these newly created units operate and the challenges they face do not seem to have received adequate scholarly attention. This paper therefore seeks to examine the challenges of these newly created District Assemblies in delivering their legal mandates using the Asante Akim North District Assembly in Ashanti Region of Ghana which is one of the latest District Assemblies created in 2012.

## THEORETICAL UNDERPINNINGS OF DECENTRALIZATION AND THE CREATION OF NEW DISTRICTS

The concept of decentralization is one of the most slippery and difficult-to-define terms since its inception into the realms of governance. Decentralization is a broad term which encompasses many aspects. The term has been conceptualized and re-conceptualized severally to the extent that it tends to mean everything in governance and perhaps development.

For Crook and Manor (2000: 1), decentralization is the "transfer of powers and resources from higher to lower levels in a political system". In the view of Manor (1999), the concept of decentralization is categorized into three main types: deconcentration (administrative decentralization), fiscal decentralization and devolution (democratic decentralization). Deconcentration refers to the deliberate, conscious and planned movement of higher level agents of government to lower levels with the aim of enhancing governance. Fiscal decentralization has been taken to mean the transfer of control of budgetary functions and decisions to lower levels of government. Devolution is defined as the transfer of power, resources and tasks from higher levels to lower levels of government. Here, the receiving institution is independent from the controls by national government and are somehow democratic. Devolution can work best when there are enough resources both financial and human and an effective accountability system. Devolution is also strengthened by effective civil societal system, respect for the rule of law and formal regulations.

Treisman (2000) noted that decentralization is a system of two kinds i.e. decentralization as a state and decentralization as a process. 'State' decentralization is the condition of being decentralized while 'process' decentralization is the steps and stages involved in getting decentralized. Treisman (2000; 2002) further explained that decentralization could be looked at and understood from five main perspectives: the structural, decision, resources, electoral and institutional viewpoints. The United Nations Development Program has summarized the argument for decentralization as follows:

Decentralised governance, carefully planned, effectively implemented and appropriately managed, can lead to significant improvement in the welfare of people at the local level, the cumulative effect of which can lead to enhanced human development. Decentralised governance is not a panacea or a quick fix. The key to human development-friendly decentralised governance is to ensure that the voices and concerns of the poor, especially women, help guide its design, implementation and monitoring (UNDP, 2004: 2).

This above quote suggests that decentralization is good and can achieve the intended aim under three conditions: effective planning, effective implementation of plans and effective management. The implication of these is that the mere adoption and implementation of decentralization do not automatically lead to the intended aim of bringing about development in the lives of the local people for whose sake it has always been claimed to be implemented. The practice of decentralization is not a solution to 'everything'. However, quick observations of the countries that have signed up to the practice appear to consider it as the solution to the problems of governance and development.

Decentralization and the quality of governance have produced mixed interpretations among scholars. Some argue that more decentralized countries (having more tiers) have higher quality governance processes than those countries which are less decentralized. The debate on whether the creation of more districts is a good or bad practice has not yet produced a consensus on the outcomes of decentralization, consequently the evidence is mixed (Oates, 1972; Ayee, 2012).

The theoretical basis of the proponents and opponents of the creation of more districts is based on the ideas of 'consolidation' and 'fragmentation' (Ayee, 2012). In this paper, scholars who argue for the creation of more districts are termed the 'fragmentalists' while those who do not support the creation of more districts are referred to as the 'consolidationists'.

Consolidationists such as Fox and Gurley argue that larger governments can provide services at a lower cost per unit or deliver quality services at the same lower cost through economies of scale. The goods and services that are indivisible can be properly handled by larger government than very small units. Cost reduction by consolidation should be examined in a broader context to include population density, land area and geographic features rather than using only economies of scale. In a study conducted in Denmark, Norway, the Netherlands and the United Kingdom, it was found that trust in local governments is negatively related to the size of local governments (Fox and Gurley, 2006).

Ayee (2012) has put up four main arguments in favour of consolidation. Firstly, consolidation ensures effective co-ordination. The existence of fewer districts will ensure better management, control and monitoring of the activities of local governments, thereby ensuring better delivery of public goods and services. Secondly, creation of fewer districts will boost regional and local economic development. This is because the creation of many districts which brings about competition among government units within the same region can reduce their economic potential through unnecessary divisions. The competition among units of government in a given region is unwarranted and should target external competitors rather than internal competitors. Thirdly, the creation of fewer districts helps ensure effective, comprehensive and integrated regional, local and land use planning. Lastly, consolidation ensures financial and economic efficiency. The creation of many districts drains national financial resource coffers. This has led to national governments intentionally and/or unintentionally cutting down or curtailing the number of districts by reducing or avoiding the transfer of financial resources to those units of government. In sum, "consolidationists" believe that consolidation of local governments has economic, service delivery, governance and development positives which promote the viability and capabilities of districts.

In the opinion of "fragmentalists", the creation of more districts promotes competition and reduces monopoly power among governments (Fox and Gurley, 2006). Mouiritzen (1989) using Danish survey data found that, smaller levels of governments provide greater satisfaction to customers (citizens). This is due primarily to the reason that smaller settlements are more uniform and homogenous and that participation and democracy are better served when more districts are created. It is also claimed that citizens or consumers in smaller jurisdictions have higher levels of satisfaction than those in larger jurisdictions (Fox and Gurley, 2006).

Fragmentalists believe that greater competition ensures efficiency which could be lost in consolidated governments, reduces the size of governments, and increases service quality, especially in primary and secondary education. Through fragmentation, governments face higher levels of competition which brings about efficient use of resources. Since consolidation limits competition, there is always less efficient and effective resources utilization (Fox and Gurley, 2006).

However, fragmentation is seen by "consolidationists" as a racial promoter which confines racial minority groups to decayed places, thereby secluding minority groups, bringing about government duplication and scale inefficiency, limits administrative expertise and leads to anarchy and irrational service structure (Orfield, 1997 cited in Ayee, 2012).

From the above discussions, it can be concluded that both fragmentation and consolidation have their upsides and downsides. This clearly calls for discretion and intuitive thinking. The

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relevance of the use of discretion in this regard is underscored by Yilmaz et al. (2010: 259, 287) cited in Ayee (2012:627) that:

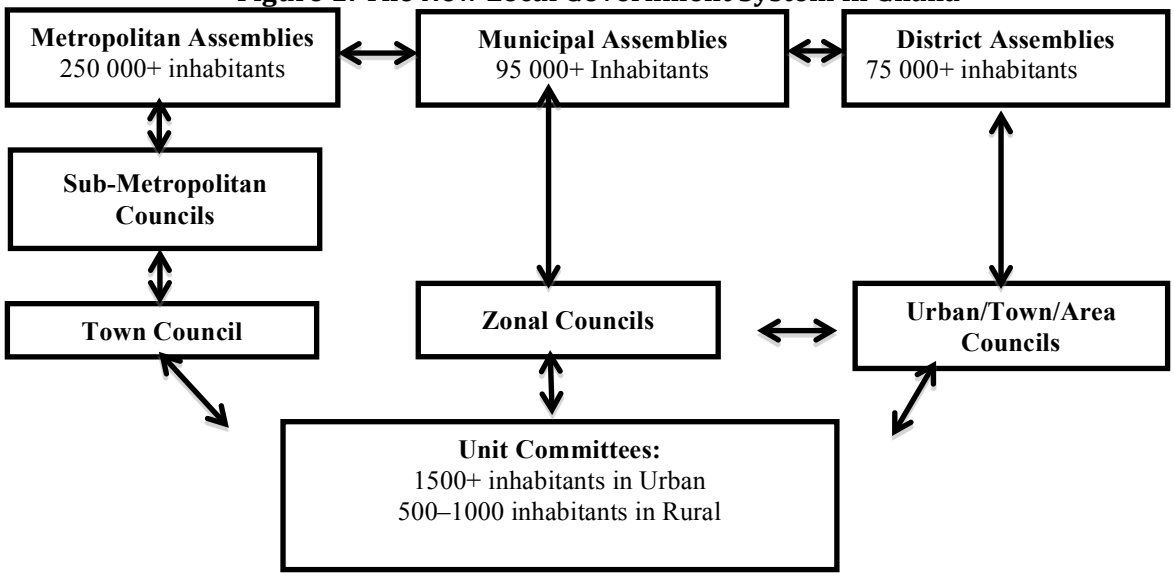
> *. . . to increase the developmental impact of decentralization . . . it is essential to get the right local governance framework, balancing discretion and accountability . . . reducing powers and functions is not a form of accountability. It simply makes local governments irrelevant. The cause of failure vis-à-vis all these complexities is the absence of effective accountability systems, both upward and downward . . . upward accountability mechanisms introduced by central governments are necessary but not sufficient to ensure appropriate local discretion. Without sound mechanisms for downward accountability, a sole emphasis on upward accountability limits local government autonomy in decision making and service delivery, negating the intended empowering of local governments.*

## DECENTRALIZATION AND LOCAL GOVERNANCE IN GHANA

Ghana implemented a decentralization program in 1988 under the PNDC Law 207 (1988) with the district being the focal point. Local governance is a key component in the decentralization system as provided by the Local Government Act, Act 462 (1993). Local governments are to play very important roles in administration and development at the local level. Being the focal point, the District Assembly is expected to coordinate activities of the lower level structures. Ghana's decentralization establishes a local government which shares central government responsibilities, functions, financial and human resources with local level units.

The decentralization system provides for various levels of administrative units establishing a four-tier system at Metropolitan level and a three-tier system at Municipal and District. The local government structure is classified into three types namely; Metropolitan, Municipal and District Assemblies depending on the number of inhabitants in the area of jurisdiction as shown in Figure 1.

**Figure 1: The New Local Government System in Ghana**




Source: Ministry of Local Government and Rural Development (1996)

Under the Metropolitan Assemblies are the Sub-Metropolis, Town Councils and the Unit Committees. Under the Municipal Assemblies are the Zonal Councils and the Unit Committees while District Assemblies have the Urban/Town/Area Councils and the Unit Committees under them. Thus, the Unit Committees are the lowest tier in all structures. The Metropolitan,

Municipal and District Assemblies are generally referred to as District Assemblies and this definition is applied to this paper.

## LEGAL MANDATES OF MMDAS IN GHANA

Many legal frameworks which outline the mandate of District Assemblies in Ghana include:

1. The Civil Service Law, 1993 (PNDCL 327),
2. The Local Government Act, 1993 (Act 462),
3. The National Development Planning (System) Act, 1994 (Act 479),
4. The National Development Planning Commission Act, 1994(Act 480),
5. The District Assemblies' Common Fund Act, 1993 (Act 455),
6. The Local Government Service Act, 2003 (Act 656),
7. The Institute of Local Government Studies Act, 2003 (Act 647).

The functions of the Assembly are outlined around its executive, legislative and deliberative powers. Thus, the responsibilities assigned to each Assembly are enormous within the resource framework of resource implications. Backed by the various laws and acts, the District Assembly is the highest political and administrative authority in its area of jurisdiction and expected to carry out various responsibilities as outlined in section 10(3) of Act 462 including:

1. Responsible for the overall development of the district;
2. Formulate and execute development plans, programs and strategies for the effective mobilization of the resources necessary for the overall development of the district;
3. Promote and support productive activities and social development in the district and remove any obstacles to initiative and development;
4. Initiate programs for the development of basic infrastructure and provide municipal works and services in the district;
5. Responsible for the improvement and management of human settlements and the environment in the district;
6. Responsible for the maintenance of security and public safety in the district;
7. Ensure ready access to courts in the district for the promotion of justice;
8. Initiate, sponsor or carry out such studies as may be necessary for the discharge of any of the functions conferred byAct 462;
9. Guide, encourage and support sub-district structures, public agencies and local communities to perform their roles in the execution of approved development plans;
10. Initiate and encourage joint participation with other persons or bodies to execute approved development plans;
11. Promote other persons or bodies to undertake projects under approved development plans;
12. Monitor the execution of projects under approved development plans and assess and evaluate their impact on the people's development, the local, district and national economy; and
13. Co-ordinate, integrate and harmonize the execution of programs and projects under approved development plans for the district and other development programs promoted or carried out by Ministries, Departments, public corporations and other statutory bodies and non-governmental organizations in the district.

## CREATION OF NEW DISTRICTS IN GHANA

Since the inception of the new decentralized system in 1988 as shown in Table 1, the country has sought to ensure improvement in the governance system through the introduction of administrative changes and increasing the number of districts. Both changes are backed by

legal provisions to ensure legitimacy. The 1992 Constitution of Ghana and the Local Government Act, 1993 (Act 462) both provide for the creation of new districts as stipulated in Article 241 (2) of the constitution. Though the law gives parliament the power to create new districts, the authority is vested in the President as in Section 1(2) which empowers the President by executive instrument to declare any area within Ghana to be a district and assign a name to the district.

The Local Government Act (462) of 1993 provides guidelines for creating new districts. However, there have been persistent controversies in almost every single time new districts are created. Despite concerns surrounding the creation of new districts, Ghana has succeeded in creating new districts. The number of districts increased from 110 in 1988 to 216 in 2012 representing a 96.4% increase. The figures suggest that, the creation of new districts has formed an integral part of Ghana's decentralization program. However, it is not clear how the newly created District Assemblies are able to live up to their mandates.

**Table 1: Trend of Creating New Districts in Ghana**

| Year | Number of Districts | No. additional Created | Total | Percentage Increase |
|---|---|---|---|---|
| Before 1988 | 65 | 45 | 110 | 69.2 |
| 2004 | 110 | 28 | 138 | 25.5 |
| 2008 | 138 | 32 | 170 | 23.2 |
| 2012 | 170 | 46 | 216 | 27.1 |

Source: Ayee (2012)

## STUDY CONTEXT AND METHODOLOGY

The Asante Akim North District is one of the newly created districts in Ghana. It was carved out of the then Asante Akim North Municipality in 2012. It was established by Legislative Instrument (LI) 2057. It is located at the eastern part of Ashanti Region; and it shares boundaries with Sekyere Kumawu District and Sekyere Afram Plains Districts in the North, the Kwahu East District in the East, the Asante Akim South District in the South and the Sekyere East District in the West. It has a total land area of about 1,125 square kilometres. Agogo is the administrative capital (Figure 1).

The population of the district was 68,186 with females constituting 51.2 percent in 2010. About 53.5 percent of the population is rural. About 98.4 percent of the households in the district are involved in crop farming. About 21.7 percent of the district populations are migrants (Ghana Statistical Service, 2014). The district has three paramount chiefs located at Agogo, Juansa and Domeabra.

This paper employed the case study approach using more qualitative data than quantitative data. The focus of the analysis is on the challenges of newly created districts. The case study approach was considered more appropriate as it entails an empirical investigation of a particular contemporary phenomenon which in this case is challenges of new district within its real life context (Yin, 2008). This approach, emphasising narratives has the advantage of allowing respondents to express their views, observations and sentiments which are sometimes missing in equally good approaches such as statistical approaches (Thomas, 2011; Gerring, 2007).

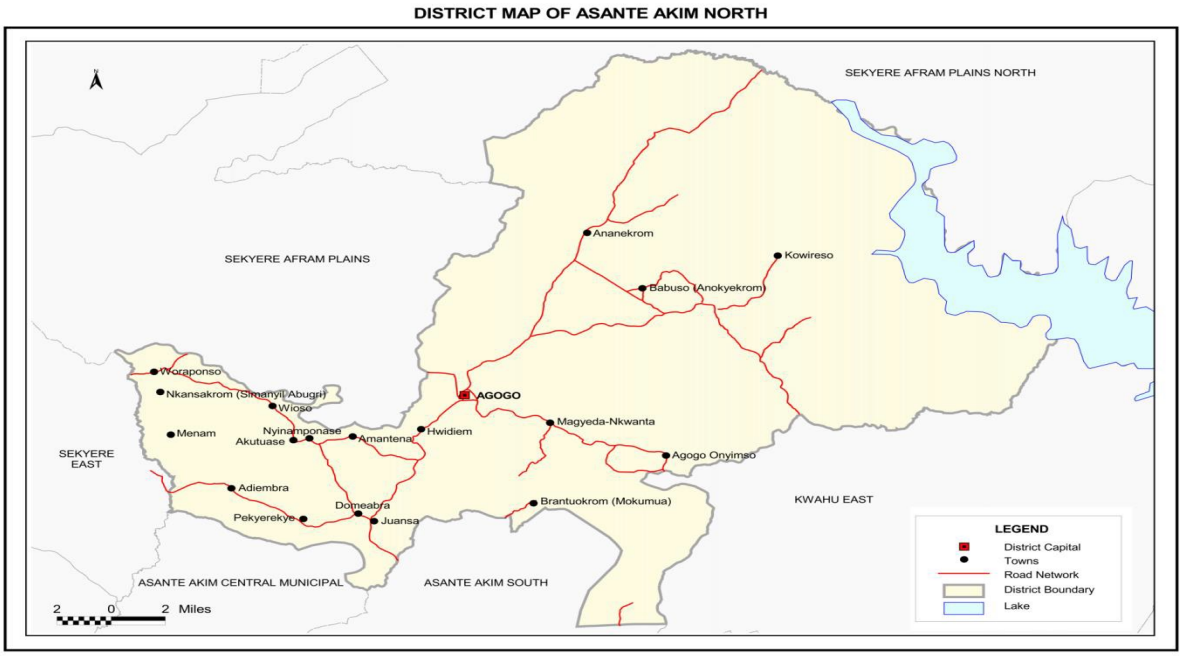



**Figure 1: Map of Asante Akim North District**

Source: Ghana Statistical Service (2014)

The study population was made up of relevant stakeholders in the administration of the district. These included five officers of the central administration, heads of the nine decentralised departments and chairpersons of 10 Town Councils and 20 Unit Committee chairpersons. We also interviewed 10 key informants out of who five were traditional leaders and the other five comprised leaders of transport unions, market women, farmer groups, non-governmental organisation and a head of educational institution. Purposive sampling was employed in selecting the officers of the various departments and key informants.

Both primary and secondary data were collected for the study. Primary data was collected from the District Assembly, decentralized departments, sub-district structures and the key informants. This was done with the use of questionnaires and interview guides. Six weeks between October and November, 2014 were used to collect the primary data. Secondary data was obtained from published documents, journals articles, periodicals, the internet, newspapers and reports from governmental and other relevant organizations. Both qualitative and quantitative techniques were used in analyzing the data collected. Microsoft Excel was used to analyse the quantitative data while content analysis was used to analyse the qualitative data.

## FINDINGS AND DISCUSSION

Empirical evidence gathered revealed that challenges of Asante Akim North District Assembly included incomplete institutional setup, inadequate human resource of key departments, weak logistical capacity, weak financial resource capacity, and poor management of the built and natural environments.

### Incomplete Institutional Setup

The study found that two of the statutory departments were non-existent in the Asante Akim North District Assembly as shown in Table 2. These were Natural Resources Conservation and

Trade and Industry. The absence of these departments made it difficult for the District Assembly to effectively administer and deliver its mandates.

## Inadequate Human Resources of Key Departments

The study revealed that key units such as the District Planning Coordinating Unit, the District Education Unit and the Physical Planning Department were under resourced. High profile officers of the Assembly and key informants lamented that many of the key departments have inadequate number of qualified staff and that hindered the effective running of the day to day affairs of those departments. All available units of the Central Administration of the District Assembly had shortage of human resources. Each unit has a minimum backlog of two personnel as shown in Table 3. The Budgeting & Rating Unit, and Physical Planning Department, which form the pivot of district administration, had backlogs of eight and two persons respectively. Ideally, a District Assembly is expected to have a Planning Officer and a minimum of two assistants. The Asante Akim North District Assembly, however, had only one Planning Officer without any assistant. The case of the decentralized departments and non-decentralized departments was not different. National Commission for Civic Education (NCCE) was short of three persons.

**Table 2: Statutory Departments and Existing Departments of the Asante Akim North District Assembly**

| Statutory Departments | Existing Departments |
|---|---|
| 1. Central Administration | 1. Central Administration |
| 2. Finance | 2. Finance |
| 3. Education, Youth and Sports | 3. Education, Youth and Sports |
| 4. District Health | 4. District Health |
| 5. Agriculture | 5. Department of Agriculture |
| 6. Physical Planning | 6. Physical Planning Department |
| 7. Social Welfare and Community Development | 7. Department of Social Welfare and Community Development |
| 8. Natural Resources Conservation | 8. Not available |
| 9. Works | 9. Works Department |
| 10. Industry and Trade | 10. Not available |
| 11. Disaster Prevention | 11. Disaster Prevention |

Source: Field Survey, 2014

The Town and Country Planning Department was established in the Asante Akim North District in February 2013, a year after the creation of the district. At the time of field work, the department was staffed with only two personnel who had no formal training in either human settlement planning and/or development planning. By law, the department was supposed to have five technical personnel and one Planner indicating a backlog of four technical officers.

Further interviews with assembly officials revealed that, the departments in the district would need an average of five additional workers in each existing department and the non-existing department established with personnel if all were to be effective. However, this could only be possible if the Ministry of Local Governance and Rural Development employed more staff as the District Assembly has no legal mandate to employ high caliber of workers.

## Weak Logistical Capacity

The District Assembly needs vehicles, computers, photocopiers, printers, and office furniture in order to perform the core mandate. There was no vehicle for the central administration and this made it difficult to monitor projects in communities. The Budget and Rating Unit and the District Planning Coordinating Unit - of the central administration shared one office with one computer and a printer. The entire Assembly shared one photocopier. Less than 50 percent of

individual workers had their personal laptops to help in the administration of the Assembly. The administration was not connected to the internet, thereby making communication with the outside world and research activities very difficult.

**Table 3: Human Resource Strength of Key Departments of Asante Akim North District Assembly**

| Department | No. of Personnel Required | No. of Personnel Available | Backlog |
|---|---|---|---|
| *Decentralized* | | | |
| Central Administration Department | 22 | 13 | 9 |
| Works Department | 10 | 5 | 5 |
| Physical Planning Department | 6 | 2 | 4 |
| Department of Agriculture | 7 | 5 | 2 |
| Department of Social Welfare and Community Development | 6 | 3 | 3 |
| Waste Management Department | 20 | 13 | 7 |
| Budgeting and Rating Unit | 20 | 12 | 8 |
| District Education Directorate | 15 | 10 | 5 |
| District Health Directorate | 12 | 9 | 3 |
| *Non-decentralized* | | | |
| National Commission for Civic Education | 9 | 6 | 3 |
| Total | 127 | 80 | 47 |

Source: Field Survey (2014)

Adequate office space forms a basic component for effectiveness of any organisation and this should be provided before a new district is created. However, the District Administration operated from a compound house-like structure with only four rooms serving as offices. All decentralised departments were also faced with congestion in offices due to limited office space. Mensah (2005) observed that office accommodation would be a big problem when the Assemblies get the full complement.

Insufficient residential accommodation for the core staff of the District Assembly and heads of departments hindered effective running of the district. There was no Assembly owned residential facility although plans were said to be in place to provide some. The Assembly has rented accommodation for a few workers with about 96 percent of the workers providing for their own residential accommodation. This situation has led to some workers commuting to work from outside the district including Kumasi. The results were lateness, absenteeism and high cost of transportation to the staff. Interviews with Assembly officials revealed that central government left the provision of accommodation to the Assembly at the time of its establishment but the Assembly has been unable to do so due to limited funds.

**Weak Financial Resource Capacity**

The administration of revenue and expenditure influences the Assembly to deliver its mandate. Section 10 of the Local Government Act, 1993 (Act 462) mandates District Assemblies to mobilise resources for development. The financial capacity of the Assembly depends on several factors including the resources available for the district to operate. Like other districts in

Ghana, Asante Akim North District benefits from various internal and external funds. The external sources of revenue for the district included District Assemblies Common Fund (DACF), District Development Facility (DDF) and other Intergovernmental transfers for the payment of salaries.

The level of revenue sources of the Asante Akim North District Assembly for 2012-2013 is presented in Table 4.There are differential contributions of the various IGF heads of the district. Fees and fines were the major sources of IGF contributing about 56 percent, 36 percent and 31 percent for 2012, 2013 and 2014 of IGF respectively. They were followed by rates which contributed about 18 percent, 25 and 27 percent in 2012, 2013 and 2014 respectively. Over the three years, various revenue heads had been unstable. This could be seen from the decline in fees and fines from 56 percent of total IGF in 2012 to 31 percent in 2014, a decrease in rents from about eight percent in 2012 to two percent in 2014. There was an increase in rates from 18 percent in 2012 to 27 percent in 2014. These support the findings of Akudugu and Oppong-Peprah (2013) that many districts in Ghana have not been able to maintain stable revenue flows. The instability of revenue heads affect planning for development programs which rely on those funds. The instability was attributed to poor mechanism of revenue collection which reflected in the inability to actually achieve revenue targets.

District Assemblies' Common Fund (DACF) and donor funds formed the major sources of revenue for the Asante Akim North District Assembly. The DACF, DDF and other grants contributed about 89 percent, 83 percent and 84 percent in 2012, 2013 and 2014 respectively as shown in Table 4. IGF contributed only 11 percent, 17 percent and 16 percent of the total revenue in 2012, 2013 and 2014 respectively. Though there was an increment in the contribution of IGF, it still formed the least contributor to total revenues of the district. Central government transfers in the form of DACF constituted the major source of revenue for the District Assembly in 2012, 2013 and 2014. This supports findings from many of such studies on the role of DACF in district development (see Adarkwa and Adamtey, 2007; Bavere, 2011).

DDF is a performance based grant therefore a district could not be sure about what amount it would receive. In addition, the releases of DACF often delay, thereby making development projects remaining unexecuted. Although such delays affect other District Assemblies in Ghana as well, the impact of this on newly created districts can be more than what older districts would experience. At the time of the survey, the Asante Akim North District Assembly had not received any of its quarterly allocation of the DACF for the past three quarters which made the implementation of projects and programs difficult. The uncertainty of external sources like DACF and DDF affected plan implementation in the district.

The case of Asante Akim North District Assembly revealed a challenge for new districts in effectively putting resource together to mobilize internally generated fund (IGF). Weak internal financial resource mobilization in the districtwas due to weak institutional set-up for IGF mobilization, inadequate logistics to effectively track revenue sources, inability to identify revenue potentials, inadequate support from regional and national level authorities toward resources mobilization. Thus, potential revenue sources remained untapped and unexploited more especially property taxes. Property tax was particularly unexploited due to the difficult in property valuation as a result of lack of professional valuators.

**Table 4: Level of Revenue Sources for the Asante Akim North District Assembly**

| Revenue Heads | July-Dec 2012 | | 2013 | | 2014 | |
|---|---|---|---|---|---|---|
| | GHC | % | GHC | % | GHC | % |
| Rates | 11,664.40 | 18.06 | 53,062.40 | 25.63 | 76,839.35 | 26.70 |
| Land | 3,560.00 | 5.51 | 27,721.75 | 13.39 | 41,153.66 | 14.30 |
| Fees and Fines | 36,253.00 | 56.14 | 73,831.50 | 35.66 | 90,077.59 | 31.30 |
| License | 6786 | 10.51 | 31,583.50 | 15.25 | 41,297.55 | 14.35 |
| Rent | 4,869.00 | 7.54 | 5,467.75 | 2.64 | 6,906.91 | 2.40 |
| Investment | 0 | 0.00 | 7,971.00 | 3.85 | 8,633.63 | 3.00 |
| Miscellaneous | 1,445.00 | 2.24 | 7,401.31 | 3.57 | 22,879.13 | 7.95 |
| Sub-total (IGF) | 64,577.40 | 100.00 (11*) | 207,039.31 | 100.00 (17.2*) | 287,787.82 | 100.00 (16*) |
| District Assemblies' Common Fund (DACF) | 521,772.00 | 100 (89*) | 509,571.21 | 67.55 (42.3*) | 844,438.87 | 55.66 (46.8*) |
| District Development Facility (DDF) | 0 | 0 | 244,805.00 | 32.45 (20.3*) | 250,146.48 | 16.49 (13.9*) |
| Others | 0 | 0 | 244,805.00 | 32.45 (20.3*) | 422,458.72 | 27.85 (24.4*) |
| Sub-Total (External Grants) | 521,712.00 | 100 (89*) | 754,376.00 | 100.00 (82.8*) | 1,517,044.07 | 100 (84.1*) |
| Total | 586,289.40 | 100.0 | 961,415.31 | 100.0 | 1,804,831.89 | 100.0 |

Note: *Sub-total of IGF and head external grants
Source: Asante Akim North District Assembly (2014).

The situation in the district goes beyond revenue mobilization to the domain of expenditure management. Capital expenditure is the main expenditure head of the Assembly constituting about 81 percent, 82 percent and 80 percent of the total expenditure of the Assembly in 2012, 2013 and 2014 respectively (see Table 5). This finding contradicts the finding of Osei-Akoto (2007) that, District Assemblies in Ghana incur more recurrent expenditures than capital expenditures. Capital expenditures are reflected in the numerous projects undertaken by the Assembly in the form of provision of schools and health facilities as well as water and sanitation facilities. The high expenditure on capital items by the District is consistent with the fact that the DACF is mandatorily assigned for capital expenditure and this forms the main source of revenue for the District.

**Table 5: Levels and Share of Expenditures of the Asante Akim North District Assembly**

| Heads | July-Dec 2012 | | 2013 | | 2014 | |
|---|---|---|---|---|---|---|
| | GHC | % | GHC | % | GHC | % |
| Personal Emolument | 32,543.34 | 5.0 | 88,322.35 | 7.4 | 140,424.80 | 6.7 |
| Travelling and Transport | 49,465.88 | 7.6 | 62,064.36 | 5.2 | 148,808.30 | 7.1 |
| General Expenditure | 18,224.27 | 2.8 | 26,258.00 | 2.2 | 50,301.41 | 2.4 |
| Maintenance, Repairs and Renewal | 4,556.07 | 0.7 | 23,87.091 | 0.2 | 10,479.46 | 0.5 |
| Miscellaneous | 22,129.47 | 3.4 | 35,806.36 | 3.0 | 79,643.89 | 3.8 |
| Capital Expenditure | 527,202.1 | 81.0 | 977,513.6 | 81.9 | 1,666,234 | 79.5 |
| Total | 650,866.80 | 100.0 | 1,193,545.31 | 100.0 | 2,095,891.89 | 100.0 |

Source: Field Survey, 2014.

The Asante Akim North District Assembly has over the past three years spent more than its revenues, thereby recording a total deficit of GHC587,767.40 as presented in Table 6. This thus limited the scope and implementation of development projects proposed by the Assembly. The recording of deficits confirms the findings of Mensah (2005) that many District Assemblies in Ghana run on deficit accounts. Continuous record of deficits reduces credit worthiness of the Assembly in the sight of contractors and suppliers. Mensah (2005) also observed that District Assemblies could hardly perform without external funding so delays in the release of such funds greatly affect the District Assemblies irrespective of being old or new.

**Table 6: Revenue-Expenditure Pattern of the Asante Akim North District Assembly**

| Item | 2012 | 2013 | 2014 | Total |
|---|---|---|---|---|
| Revenue (GHC) | 586,289.40 | 961,415.31 | 1,804,831.89 | 3,352,536.60 |
| Expenditure (GHC) | 650,866.80 | 1,193,545.31 | 2,095,891.89 | 3,940304.00 |
| Deficit (GHC) | 64,577.40 | 232,130.00 | 291,060.00 | 587,767.40 |

Source: Field Survey, 2014.

Poor Management of the Built and Natural Environments

Per Section 10 Sub-section 3 Clause 6 of Act 462, District Assemblies are mandated to take responsibility for the development, improvement and management of human settlements and the environment under their jurisdiction. This is to make built environment livable, capable, secured and competitive as well as to conserve and protect the natural environment. The built environment as a complex system is both directly and indirectly interrelated with the natural environment. The development of human settlements and the growing nature of residential and commercial activities in the study district have made the management of the district's built and natural environments extremely difficult. The existing Physical Planning Department is not empowered enough to manage these environments.

The Department of Town and Country Planning was supposed to manage the spatial development in settlements, however, many of the settlements in the district do not have layouts and this has led to haphazard development. The only settlement with a layout is the district capital, Agogo. Even there, enforcement is weak; building regulations were not complied with undermining the effectiveness of land-use pattern. The issue of enforcement of building regulations was almost beyond the capacity of the relevant institutions. This has culminated in the haphazard springing up of unauthorized building and structures in many parts of the district, especially in Agogo.

The housing environment in the main towns such as Agogo and Juansa were characterized by poor drains, heaps of solid waste, unkempt surroundings, and most of the households used the public dump for solid waste disposal. In terms of liquid waste disposal, about 90 percent of the households disposed their wastes either on their compounds, on the immediate street outside their houses or into nearby drains and gutters. There were inadequate public and household latrines, thereby exacerbating pressure on the few public toilets resulting in indiscriminate defecating. All these were attributed to the inability of the District Assembly to effectively manage activities in the built environment.

The natural environment of the Asante Akim North District has altered markedly owing to human activities. The forests, rivers and soils have all been negatively impacted. The natural environment was not effectively managed. The forests and grassland resource endowments of the District has got a multiplicity of interests including farmers, lumbers, sand winners and

most importantly the Fulani herdsmen. This has resulted in conflicts among Fulani herdsmen and the local community members, who are mainly crop farmers. The herdsmen often lead cattle to destroy farms and water bodies of the area.

Most of the key informants and Unit Committee members reported that the conflicts have instilled fear and insecurity among the local residents of the Asante Akim North District. Several people, especially crop farmers have lost their lives and livelihoods in the hands of the herdsmen who are armed with AK47 riffle and other deadly weapons. The complication of the conflict lies in the fact that the cattle were not only owned by the foreign Fulanis but there were also some of the cattle owned by the politically powerful individuals and chiefs in the area. These have empowered the Fulani herdsmen to continue to stay to cause havoc despite the High Court ruling to evict the herdsmen from the area.

## THE WAY FORWARD

The challenges are a pointer to the areas which require action to enable newly created districts such as the Asante Akim North District to effectively perform their functions.

### Comprehensive Approach to Creation of Districts

There is the need to move away from the incremental approach to establishing districts to a comprehensive approach. Comprehensive approach in this context refers to the process where districts are established with all structures and adequate resources put in place and functioning in full capacity. In the case of incremental approach, units and departments are established as the population of the district grows. This approach stifles effectiveness of the district, especially at the early stages. Adopting a comprehensive approach would help in reducing stress and pressure on a new District Assembly. In establishing new districts, effective planning needs to be adopted and implemented in the establishment process. This should be a collaborative effort among the central government, Ministry of Local Governance and Rural Development, all sectoral ministries, relevant traditional authorities and local communities.

### Institutional Capacity Building

There is the need to build both human resource and logistical capacity of new District Assemblies. The integration of institutional capacity in the Functional Organizational Assessment tools for District Development Fund and Urban Development Facility is a positive step since District Assemblies do not have the legal mandate to employ staff. The Ministry of Local Governance and Rural Development should ensure each district is provided with adequate staff at the time of its establishment. This would help eliminate the situation where new districts work with just few staff but are expected to work effectively and efficiently. The central government should set aside a portion of funds transferred to newly created districts to be used for building logistical capacity. Funds should therefore be specifically made available for providing office and residential accommodation as well as logistics including computers, printers and vehicles needed for effective functioning of a district. These would help reduce the burden on the IGF of newly created districts at the early stages.

### Building Financial Resilience of Districts

Building financial resilience of new districts through an established fund designed purposely for new districts will be a positive step towards an era where new districts will be fully operational with limited constraints. This fund should provide financial fallback mechanism to reduce the financial vulnerability of newly created district. The process of building the financial

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resilience of new districts should incorporate building strong and effective local resources mobilizing institutions to effectively undertake local resource mobilization at the early ages of districts.

## CONCLUSION

This study has demonstrated that the Asante Akim North District, a newly created district is challenged in diverse ways, thereby limiting its effectiveness and efficiency to execute its mandate, vision and mission. The challenges include incomplete institutional setup, inadequate human resources of key departments, weak logistical capacity, weak financial resource capacity, and poor management of the built and natural environments.

Ensuring that the district serves as the highest administrative and legislative authority at the local level to promote socio-economic development requires that the creation of new districts be done comprehensively with all key departments in place. The financial resilience of new districts should be built to ensure the availability of financial resources for the execution of development projects and programs. The capacity of key institutions should also be built to ensure that all aspects of district development are effectively catered for by the government and other stakeholders.

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