

# **Accessible Information for Development Dialogue**

**Institute of Statistical, Social and Economic Research,  
University of Ghana  
&  
Centre for Policy Analysis**

**Study Commissioned by  
Department for International Development  
Accra**

# Outline of Presentation

- Introduction: Rationale for Study
- Approach to Study
- What is the nature of data on the extent and depth of poverty in Ghana?
- Are poverty and inequality in northern Ghana different from poverty in rest of country?
- What is the nature of the data on financial flows to northern Ghana?
- Does the data on financial flows to northern Ghana reflect a recognition of the poverty situation?

# 1. Introduction: Rationale for study and assumptions

- While the lack of reliable, accessible, consistent and complete information on financial flows to the regions and districts of Ghana is a hindrance to effective development dialogue, the situation is more acute in the three Northern regions due to their current circumstances.

- Absence of data and/or capacity to organise data generated in the system makes it difficult to initiate an informed debate for improving resource allocation at both political and technical levels.
- There is probably more data than is currently made available publicly.
- More coherent information would enhance policy analysis, decision making, allocation and deployment of resources and monitoring and evaluation of Government programmes.

# 2. Study Approach

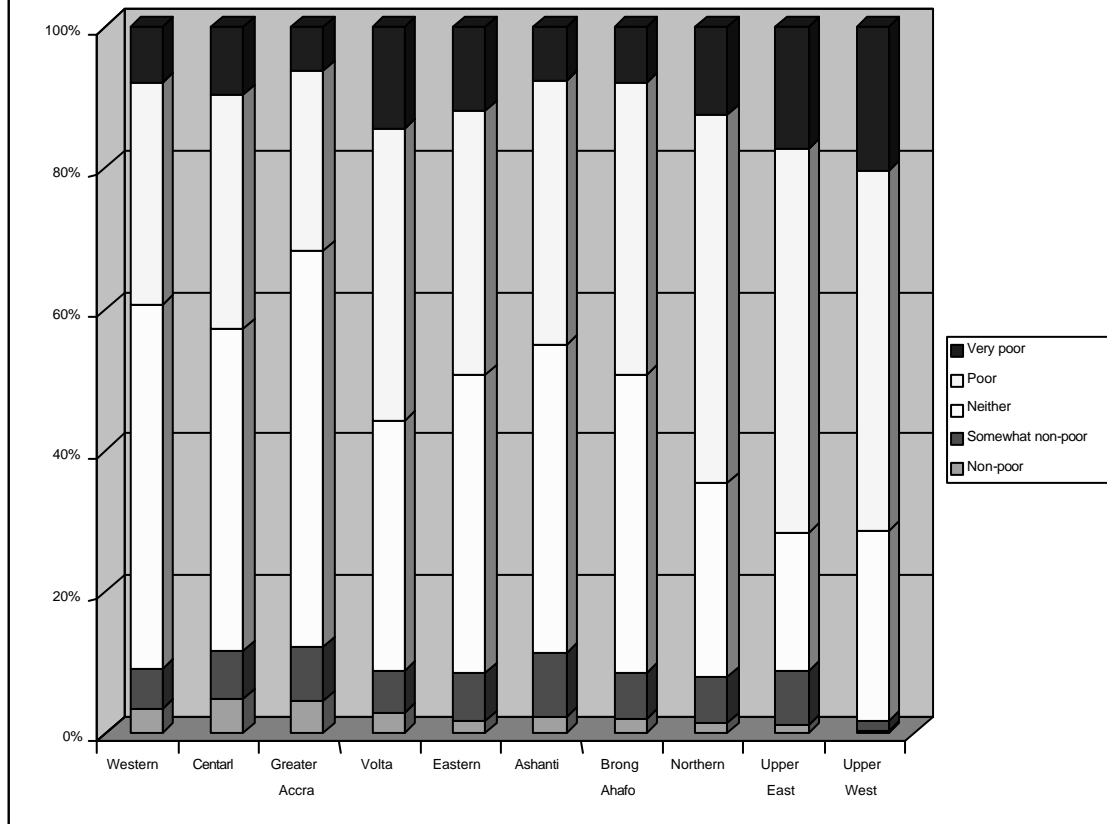
- Combination of desk study, primary data gathering from different sources and interaction with stakeholders.
- Identified and collated disaggregated data on poverty indicators and incidence/depth of poverty in the 3 northern regions.
- Identified and collated data on central government financial resource flows (direct and indirect) to the 3 northern regions.
- Sought to establish any links between poverty and central government financial flows to the 3 northern regions.

### 3. What is the nature of data on the extent and depth of poverty in Ghana?

- GLSS 1,2,3 and 4 provide substantial data on households but do not represent situation in districts.
- In order to measure progress on poverty reduction, and in the absence of clearly identified baseline information for GPRS indicators, the report has adopted the CWIQ 2003 as the reference point.
- The CWIQ 2003 was selected for the purpose of measuring progress because it collected the relevant information from all districts.

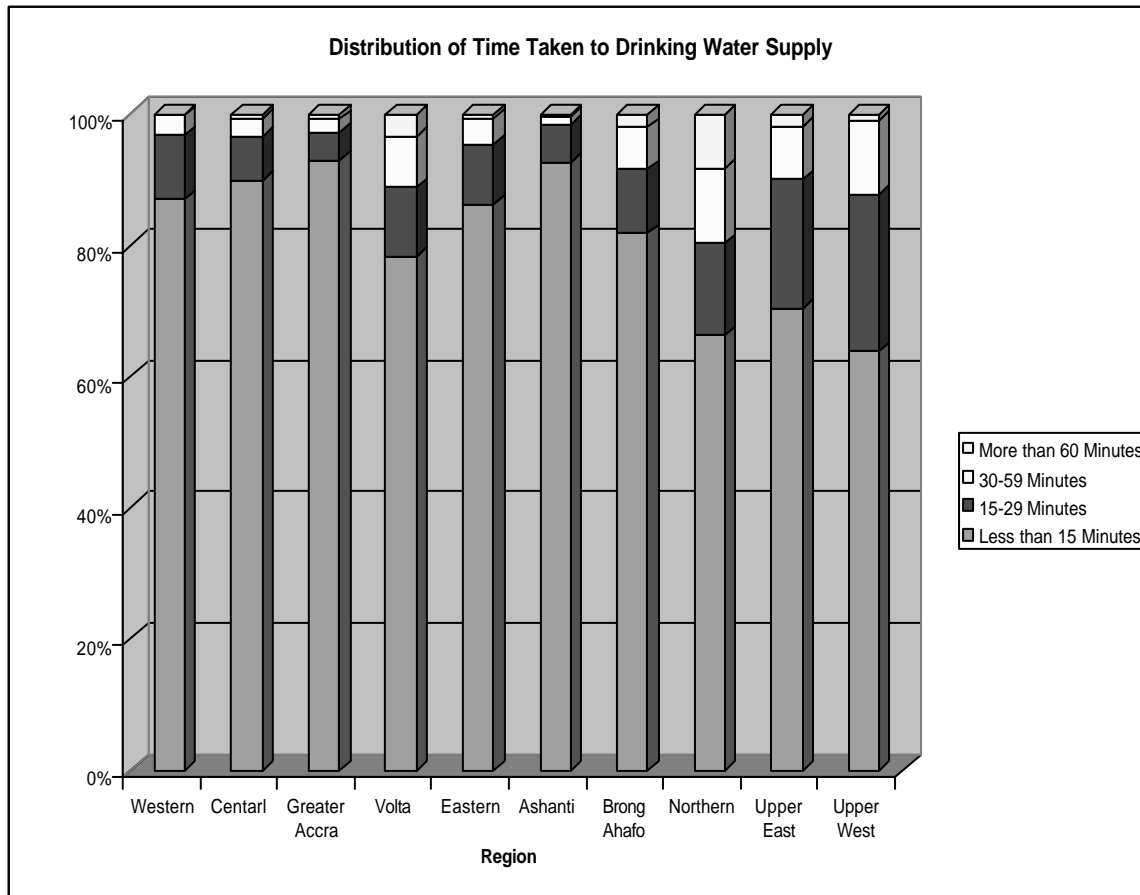
# Household Poverty Status

Figure 1: Regional distribution of households by poverty status



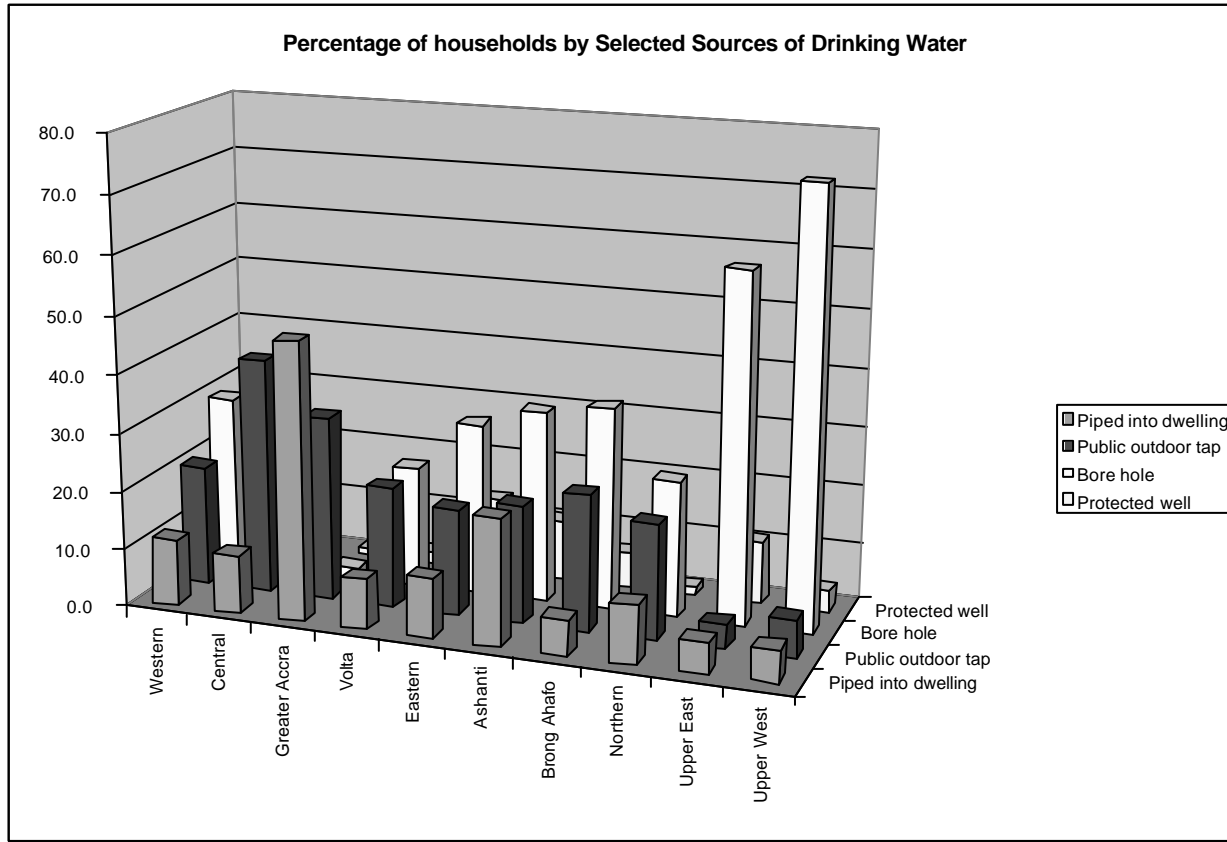
- Proportions of the poor in the 3 Northern Regions remain high relative to the other regions.
- About 68% to 74% of people in three Northern Regions are either poor or very poor compared to between 18% and 58% in other Regions.

# Access to drinking water



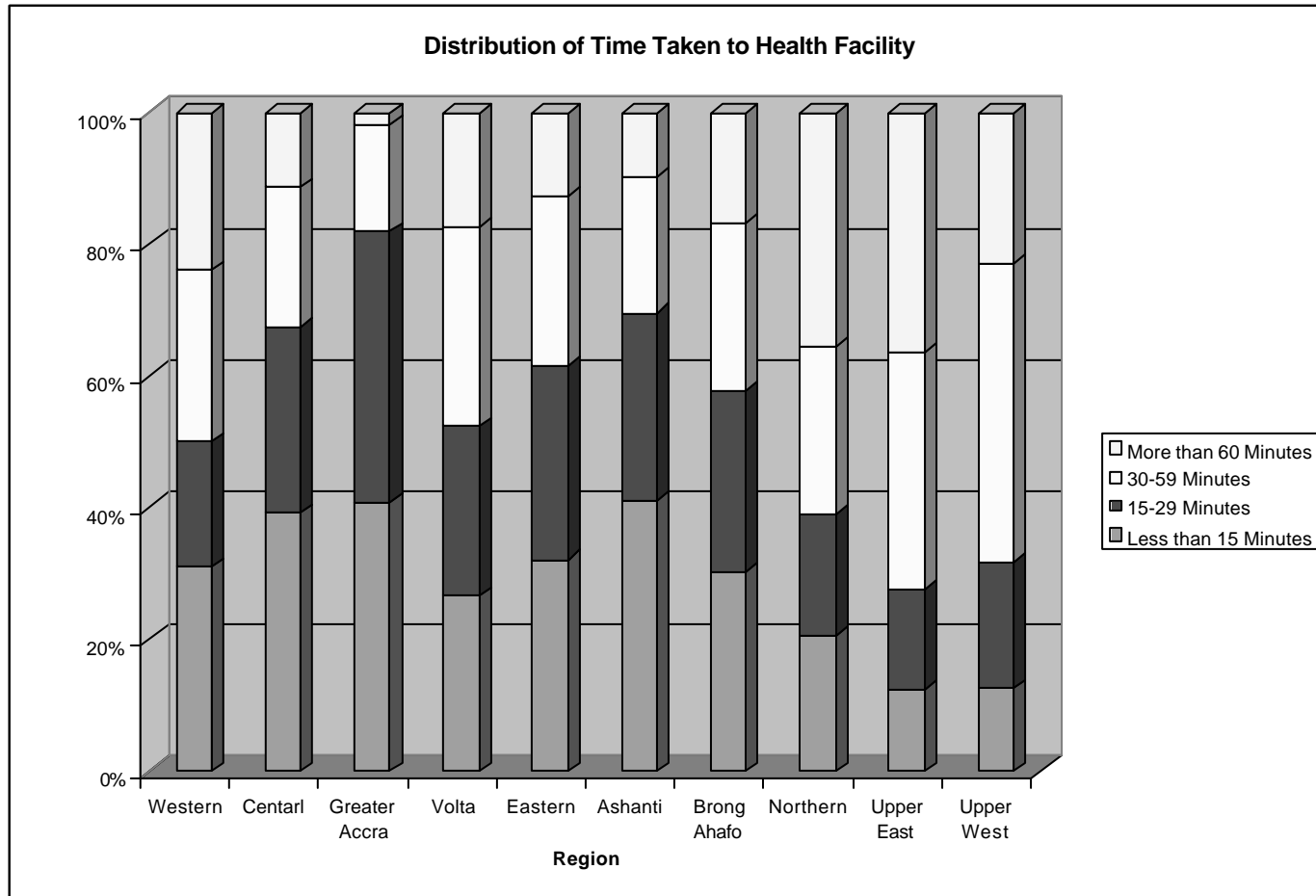
- Compared to the other regions the 3 Northern regions take relatively longer time to access drinking water

# Sources of Drinking Water



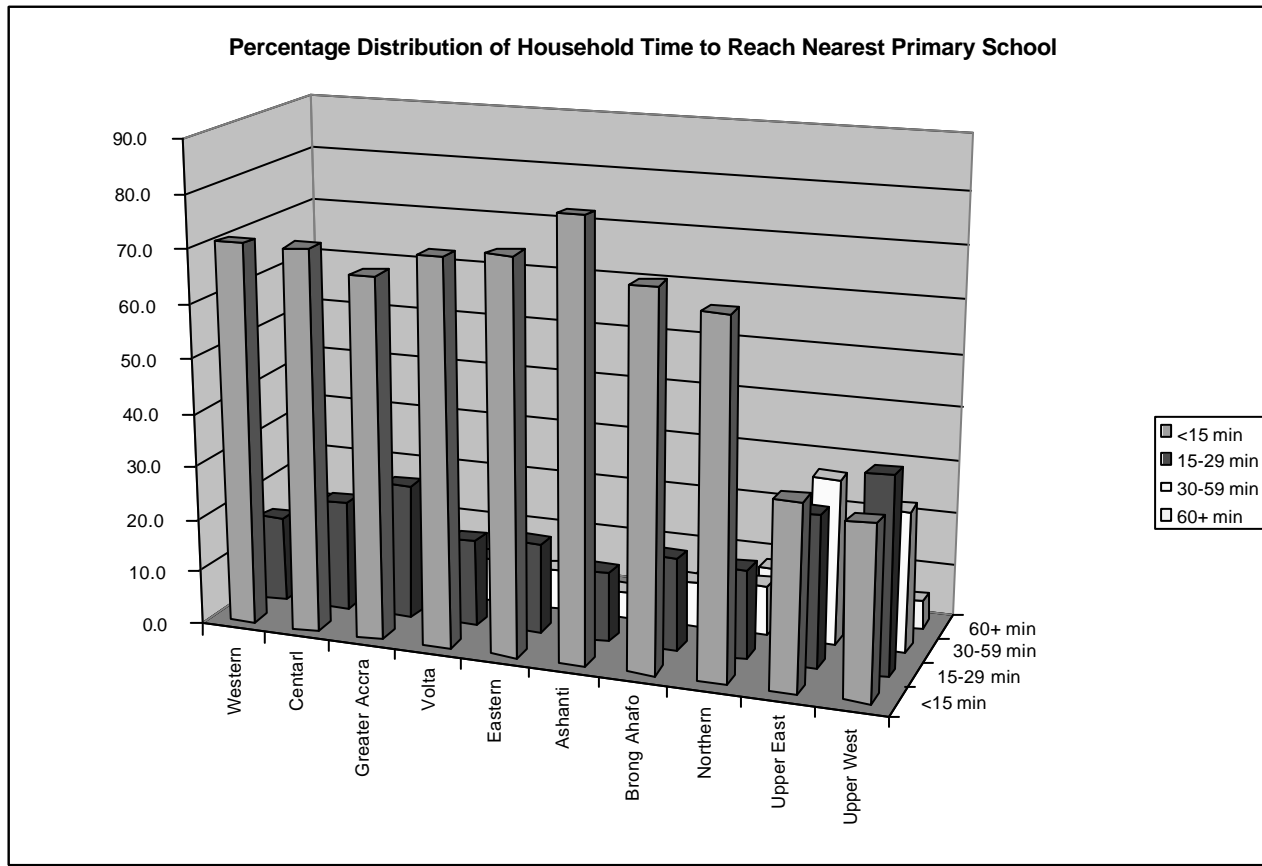
- Disproportionately high percent of residents of Upper East and Upper West Regions obtain drinking water from bore holes

# Access to Health Facilities



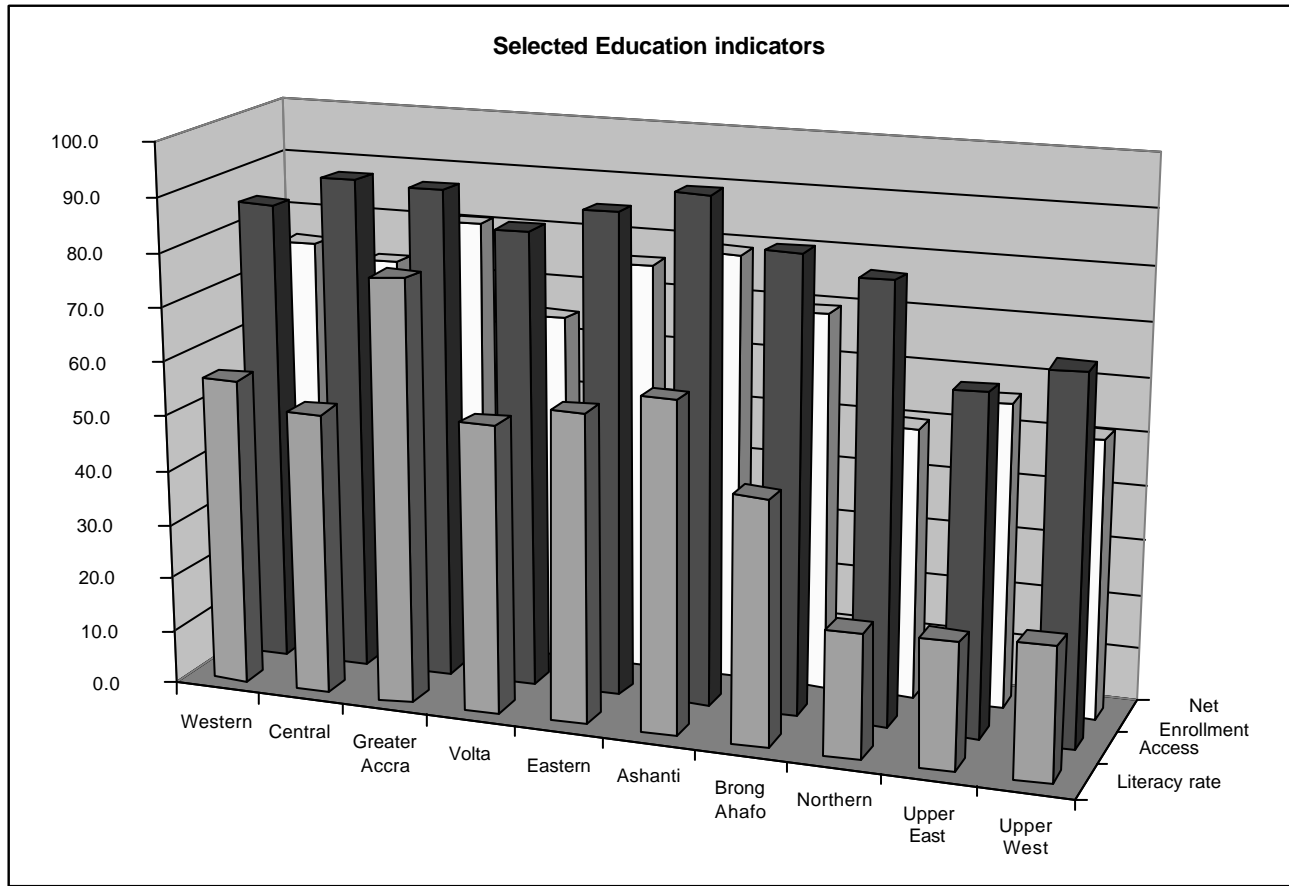
- Access to health care facilities is hindered disproportionately in the three Northern Regions. Over 60% take over 30 minutes to reach a health care facility compared to between 20% and 50% elsewhere

# Access to Primary School



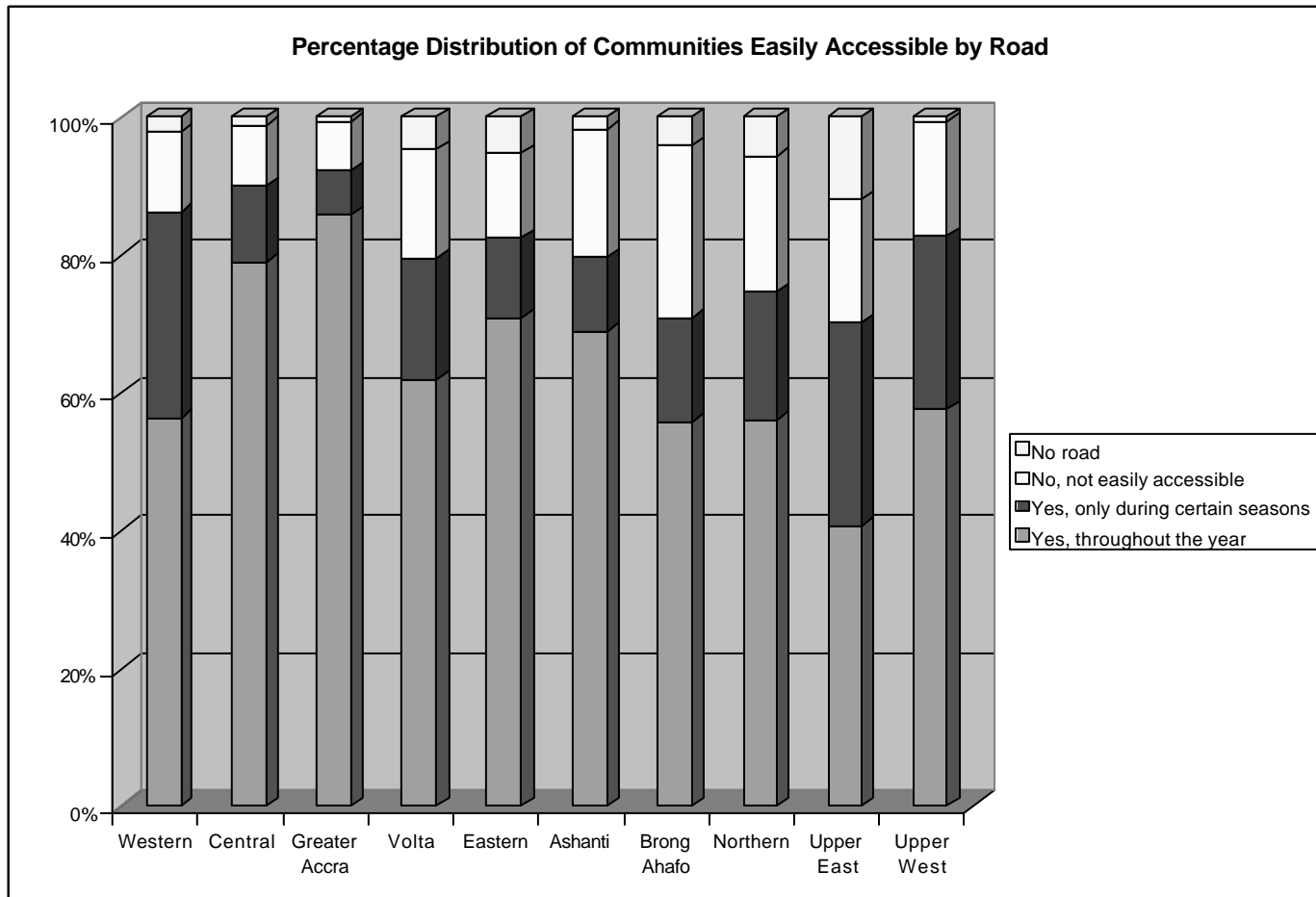
- Literacy rate is lower in the three northern regions compared to the other regions in Ghana; however, access to primary education is about the same in the Northern Region as in the other regions but about 10 percentage points lower in Upper East and Upper West.

# Education Indicators



- Net enrolment in primary school is lower in the 3 northern regions

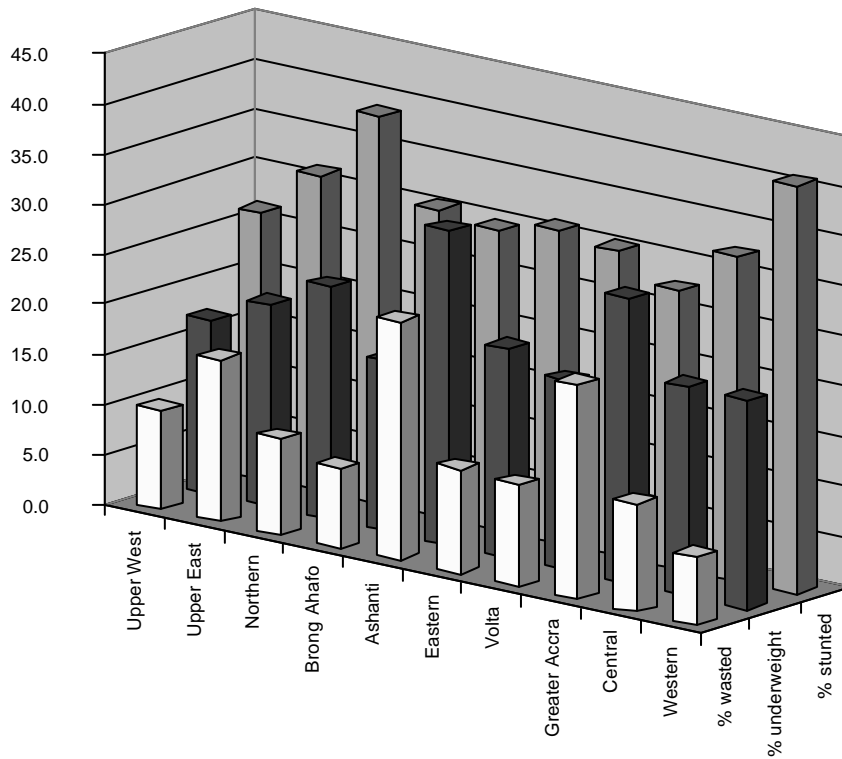
# Access to Communities by Road



- Relatively more difficult to access communities by road in Northern and Upper East Regions
- Comparable only to BA

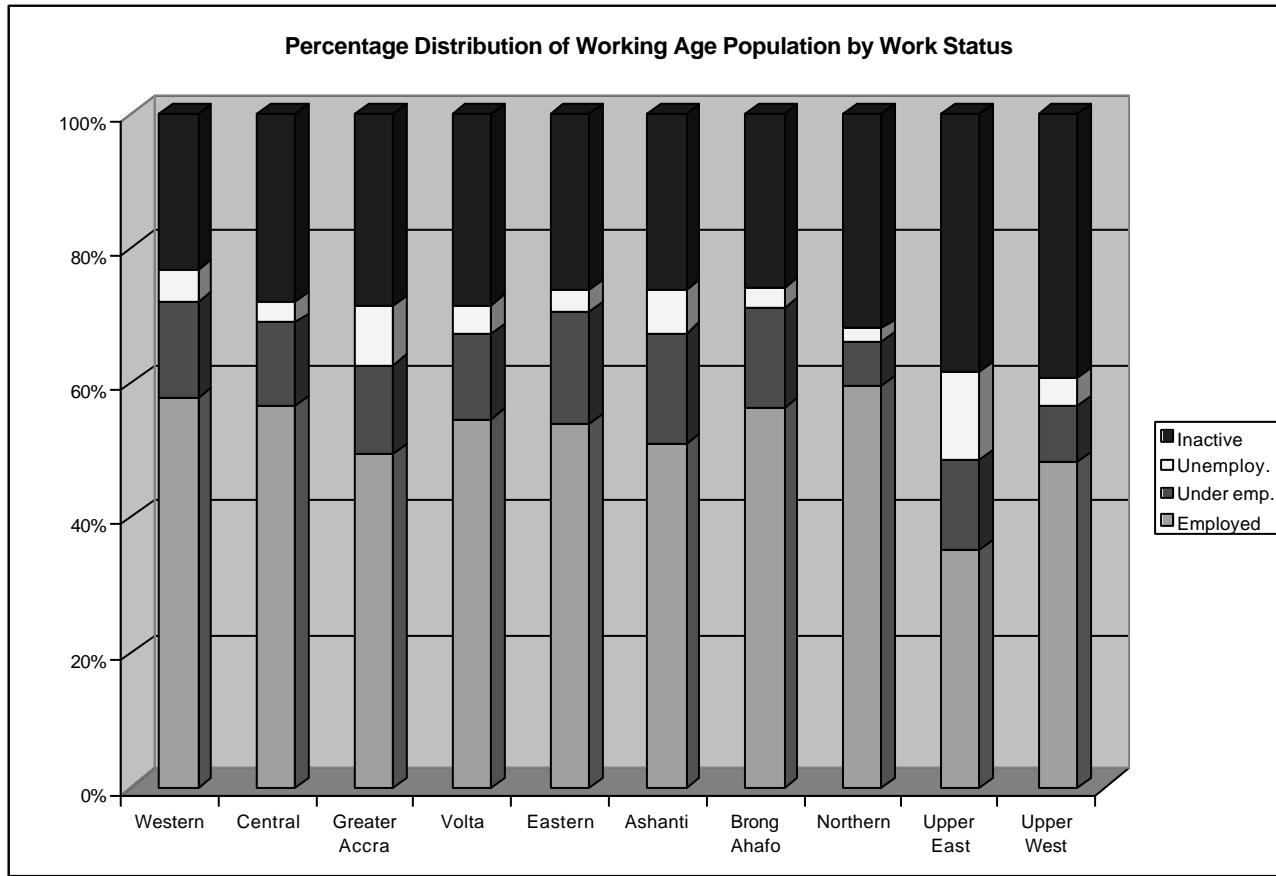
# Child Nutrition Indicators

Figure 7: Child Nutrition Indicators



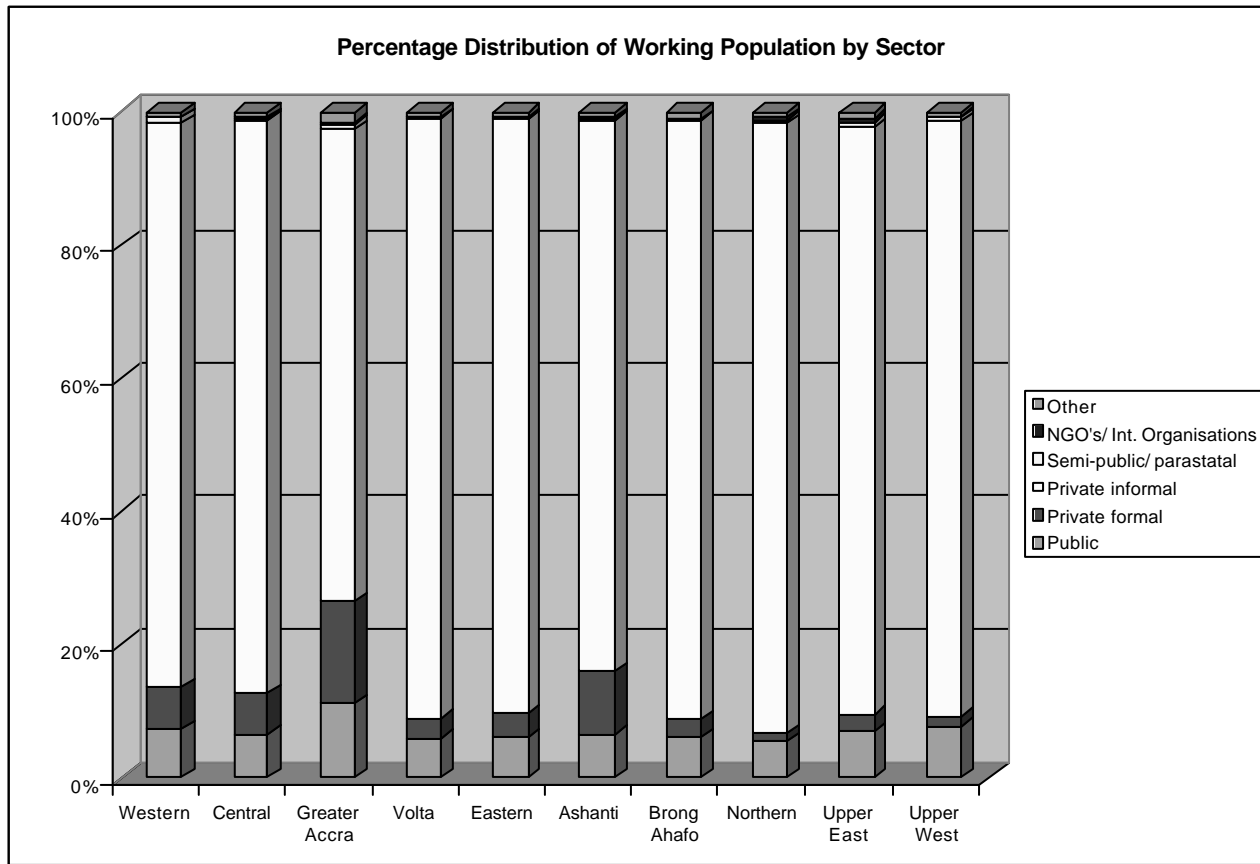
- Comparable to national levels;
- Stunting is a problem in the Northern Region.

# Employment Indicators



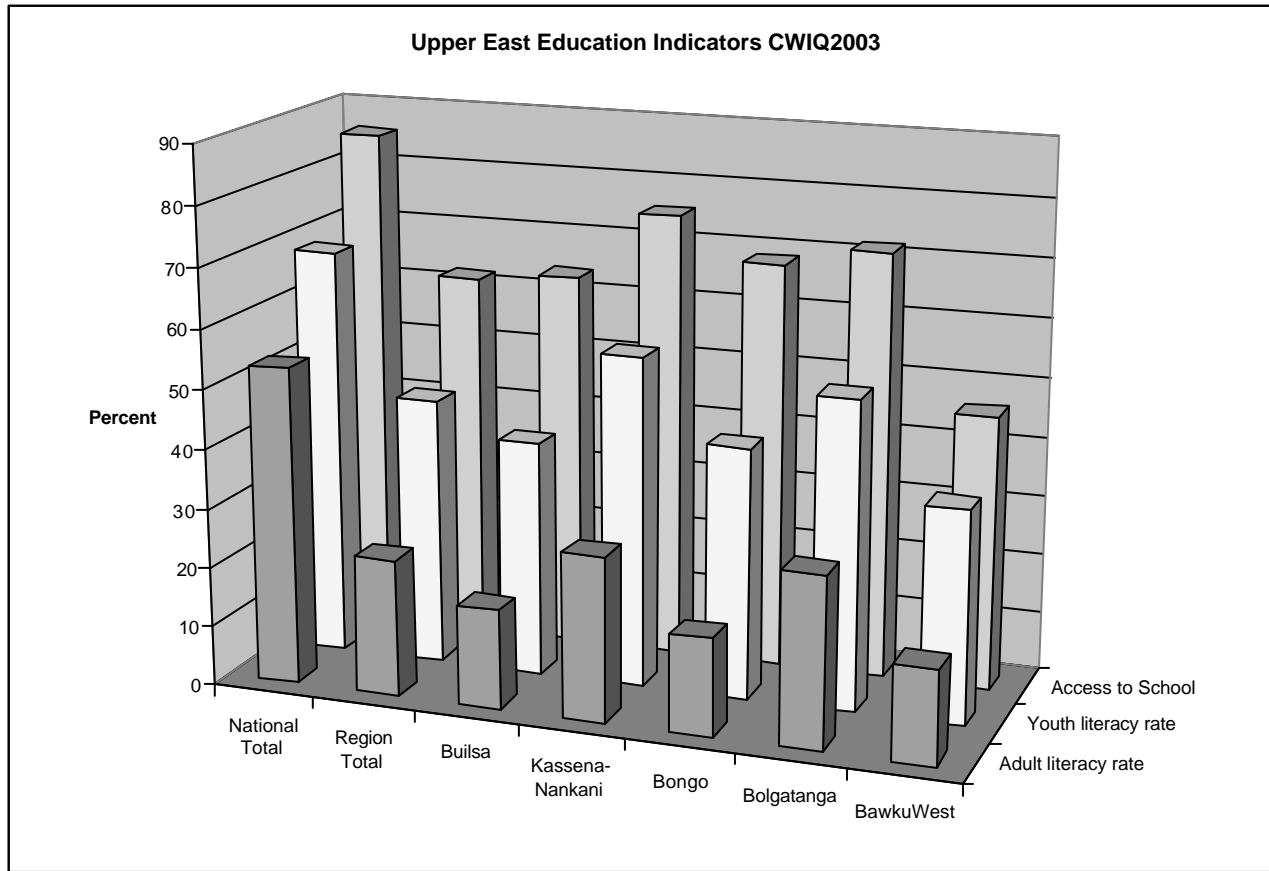
- Underemployment is a problem in the 3 northern Regions;
- Unemployment is high in Upper East Region

# Working Population by Employment Sector



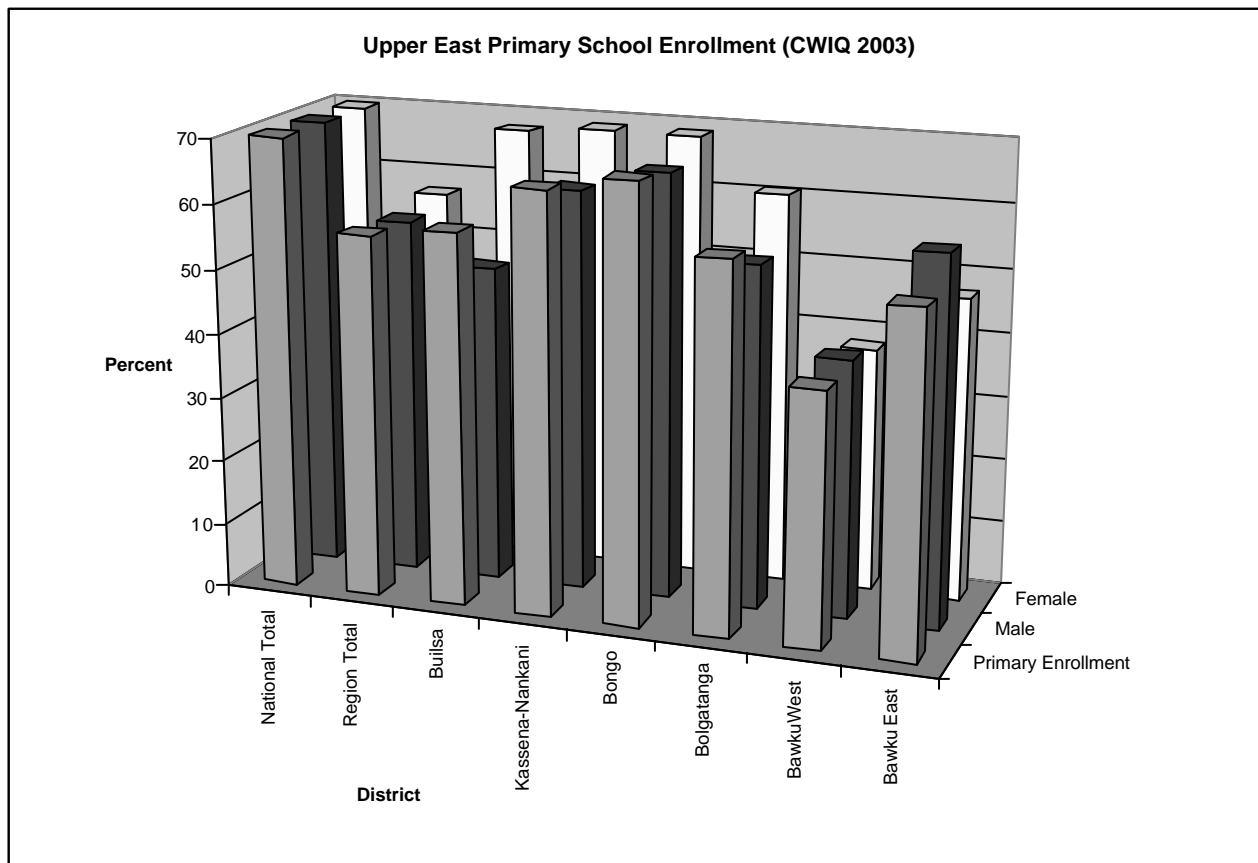
- Relatively large proportion of the workforce in the 3 northern Regions work in the informal sector

# Education Indicators - Upper East



- Low adult literacy rate;
- Better youth literacy rate;
- Access lower than national average

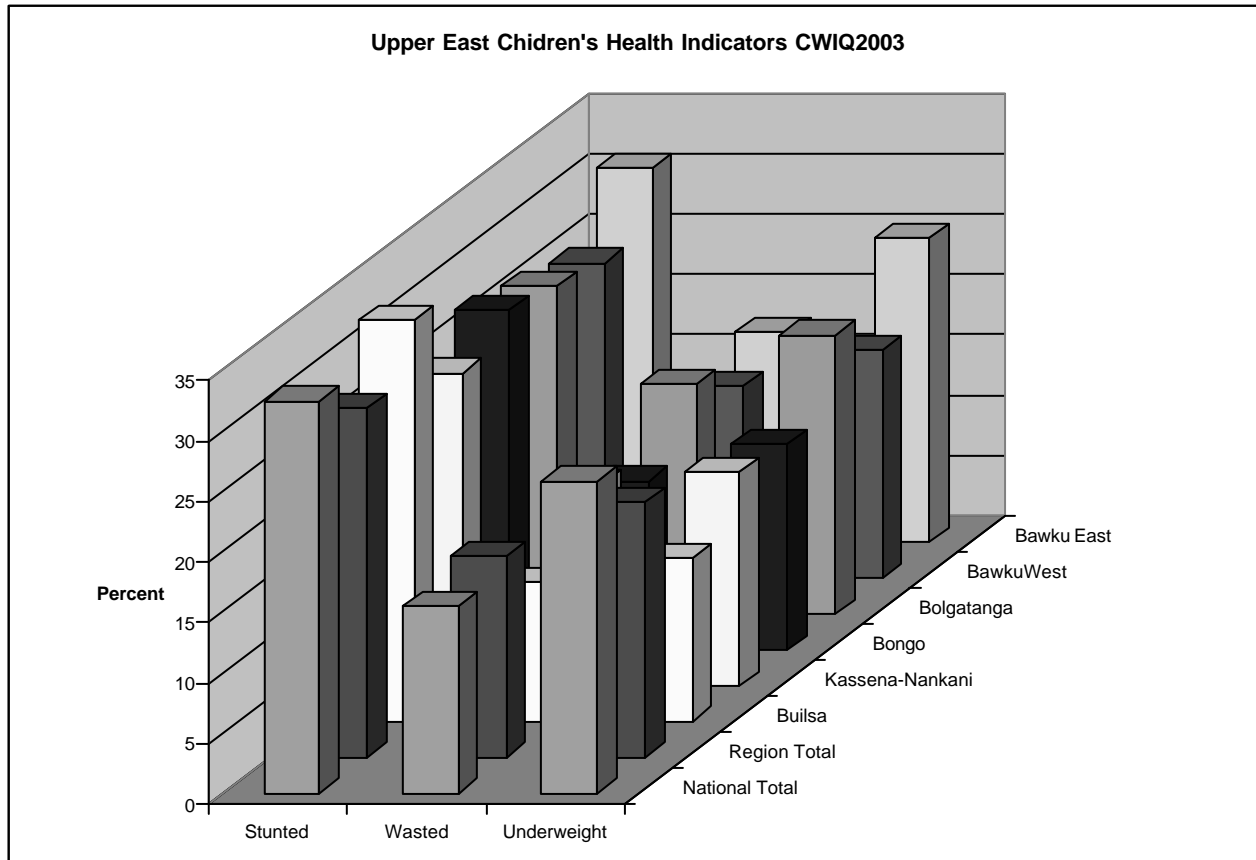
# Primary School Enrolment - Upper East



- Lower than national level;
- Better for females;
- Relatively low for Bawku West

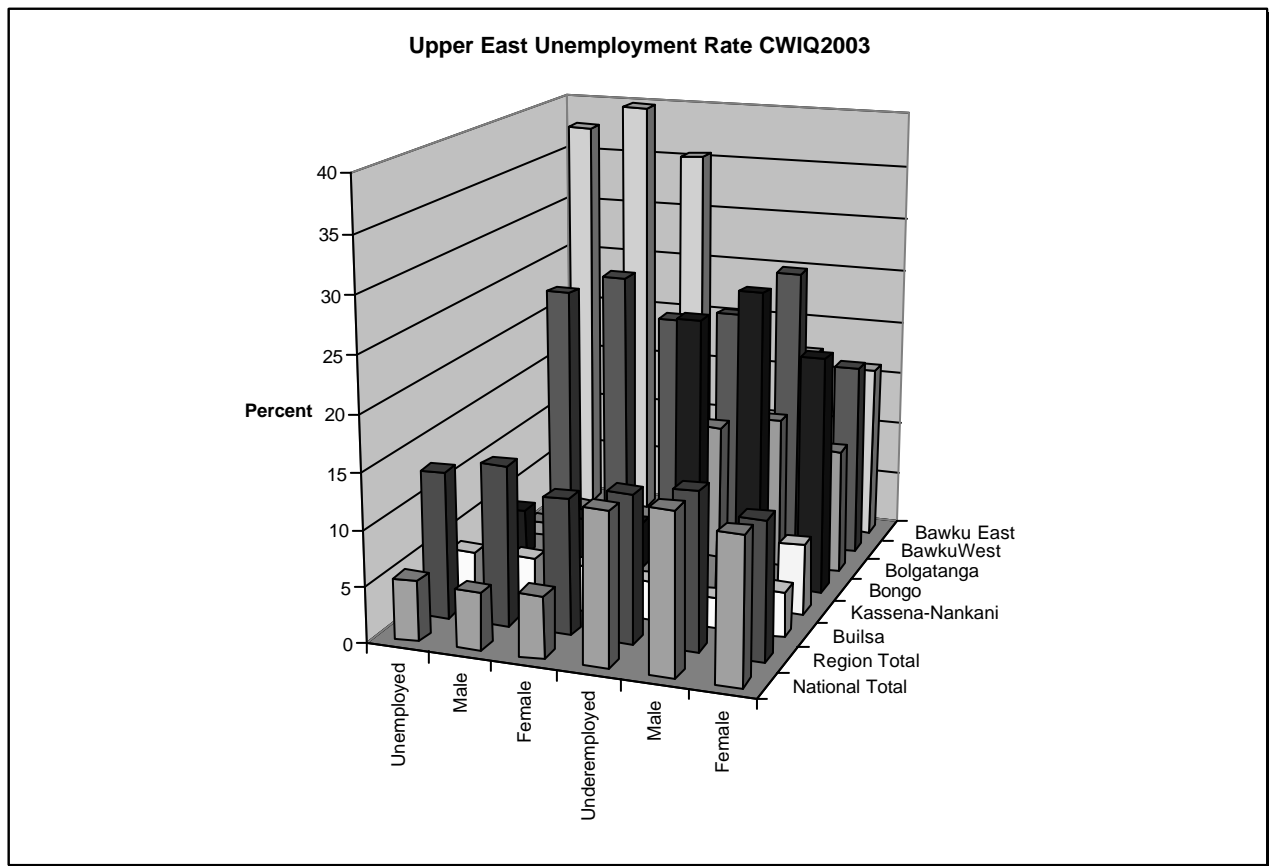
# Child Health Indicators - Upper East

## East



- Bawku East appears to be worst off.

# Employment Indicators - Upper East



- Unemployment is high in the Region particularly in Bawku West and East

# Data Availability

- We are able to provide similarly disaggregated poverty data for other regions.
- This is going to be even better with the planned GLSS 5 to cover all districts.

## 4. Are poverty and inequality in northern Ghana different from poverty in rest of country?

- The data reviewed shows clearly that poverty in the north is generally worse than in many other regions.
- Study of spatial inequality suggests that the disparities within groups are far more acute and growing faster than between north and south.

# 5. What is the nature of the data on financial flows to northern Ghana?

- Central government budgetary process is independent of District Assemblies' budget formulation.
- However, there are several points where resource flows to the District level can be traced to the central government. These include:
  - Ministry of Local Government and Rural Development;
  - Ministry of Finance,
  - District Assemblies Common Fund.

# District Assembly Budget

- The District Assemblies prepare their own budgets, which sometimes take care of anticipated central government transfers and other external inflows by imputing the value of inflows to the district in the current financial year for the ensuing projections.
- Values for the external inflows may be revised during budget implementation if information about actual inflows received from central government and other benefactors happen to indicate that the level of inflows will differ from the projection.
- However pre-programmed donor support is covered in the budget as previously agreed.

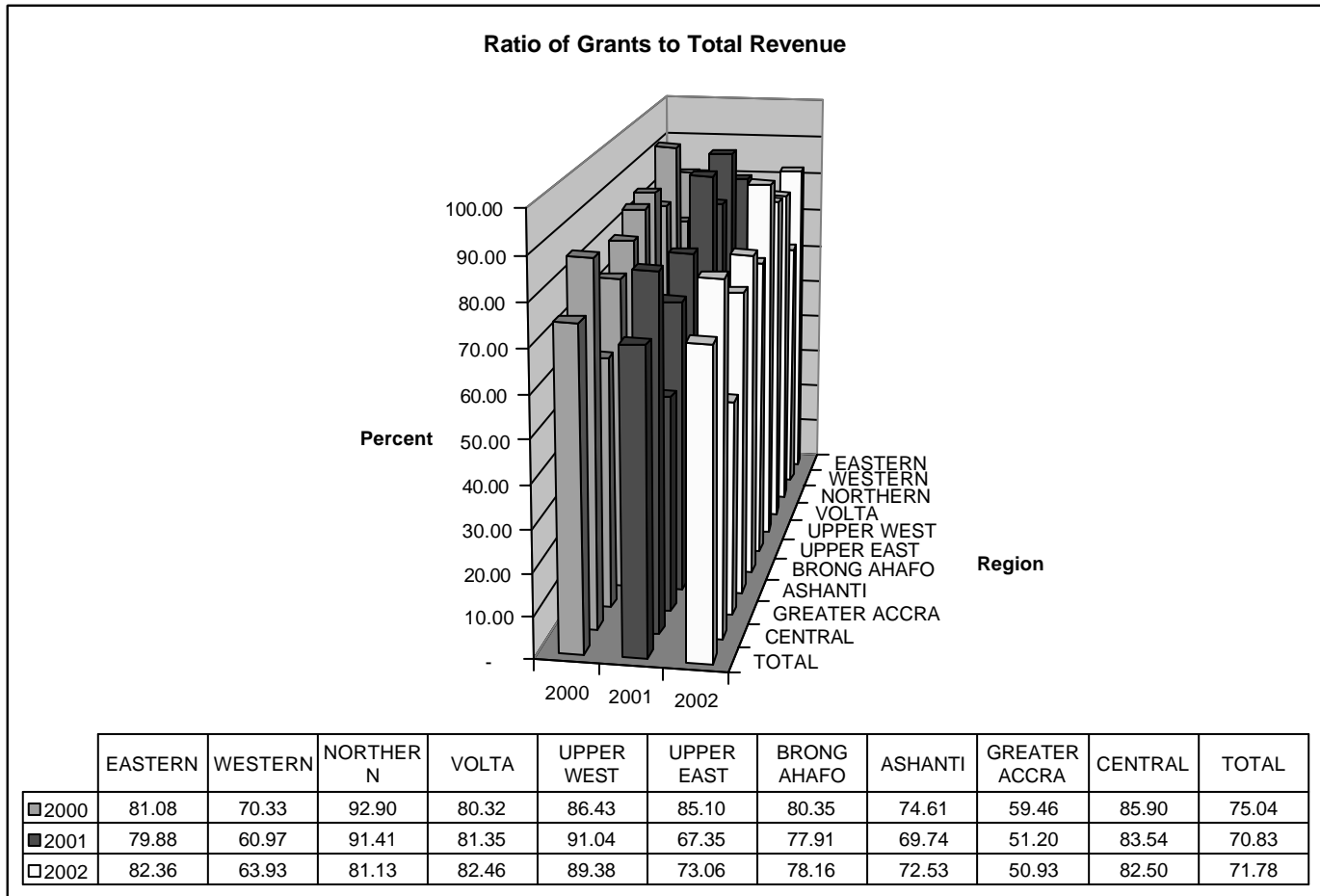
# Grants

- Tracing resource flows systematically from the centre to the district will require substantial human and financial resources, as well as time.
- What we can do at this time is to review the inflow of resources that were recorded in the districts as grants.
- As many as 28 different sources for grants were recorded for some districts in 2002 and 2003.

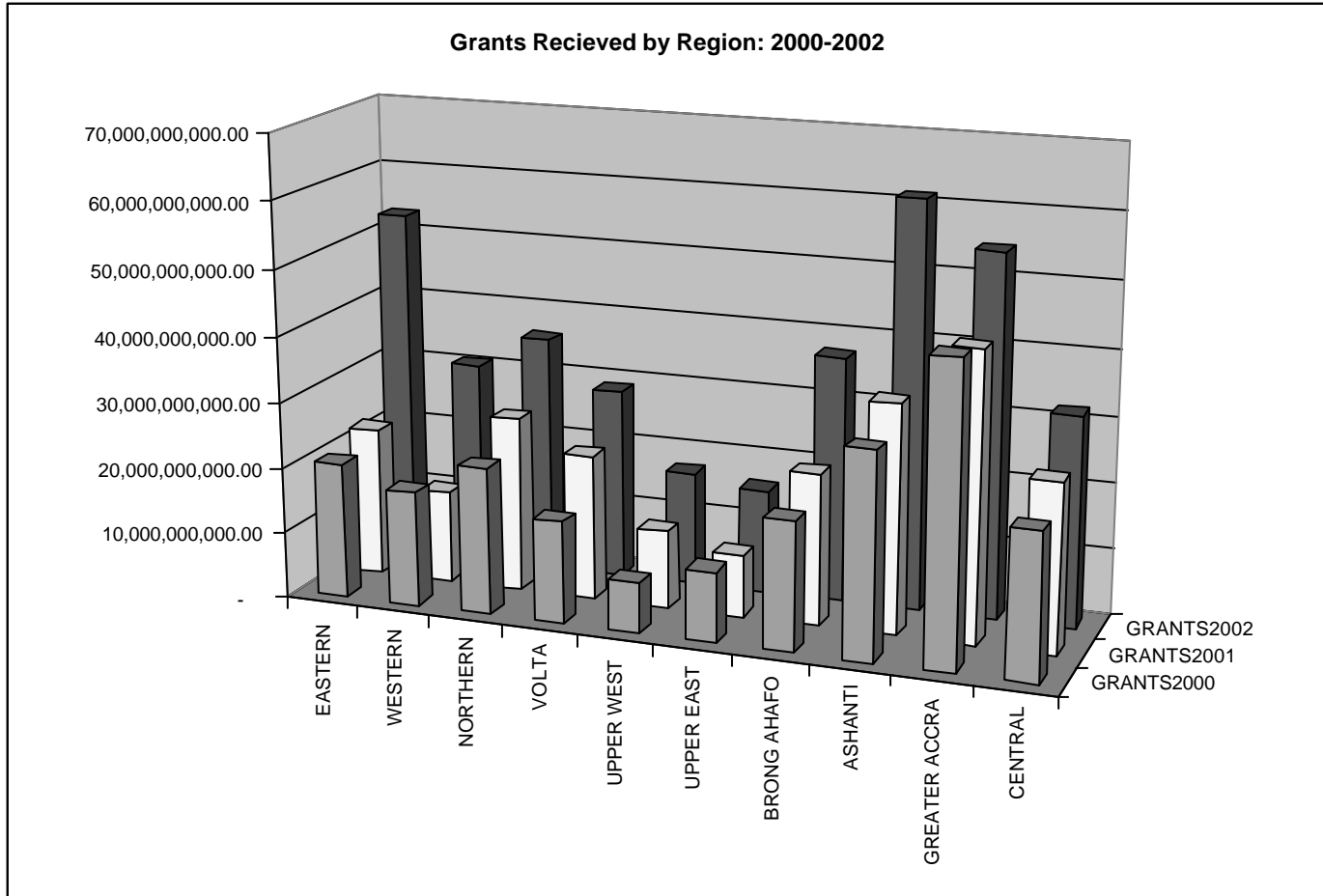
# Composition of Grants and Analysis

- Total grants have 2 components: (1) Salaries and wages which are paid directly from the CAGD to the DAs on a quarterly basis and (2) the DACF, including the MPs Common Fund.
- We also considered the per capita inflow of resources from other sources of grants.
- The results of the analysis indicate that the level of resource inflows to a particular district is influenced by the number of programme/project grants that were attracted into the district. In this respect, the Upper West Region did better than the two other regions

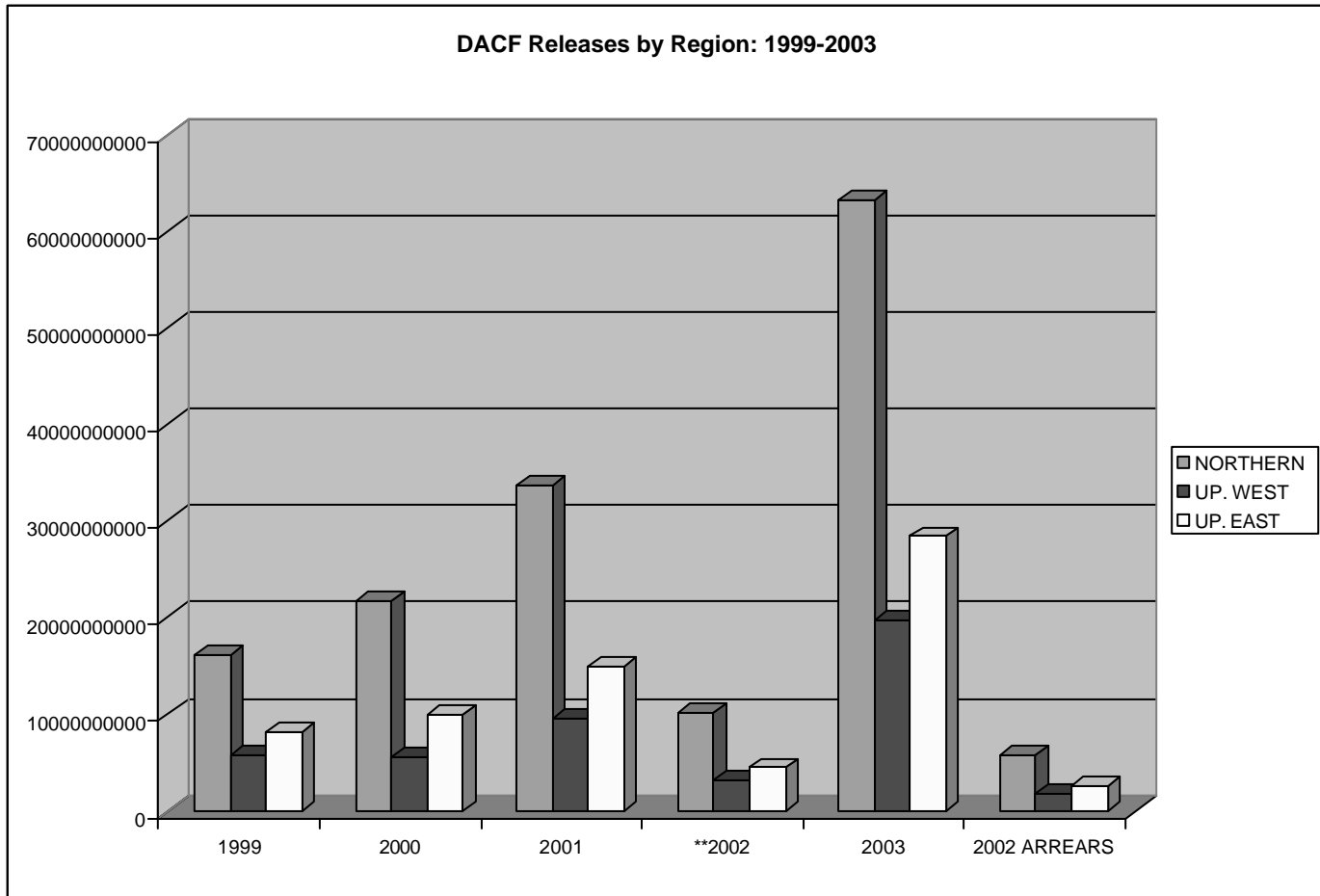
# Grants/Revenue



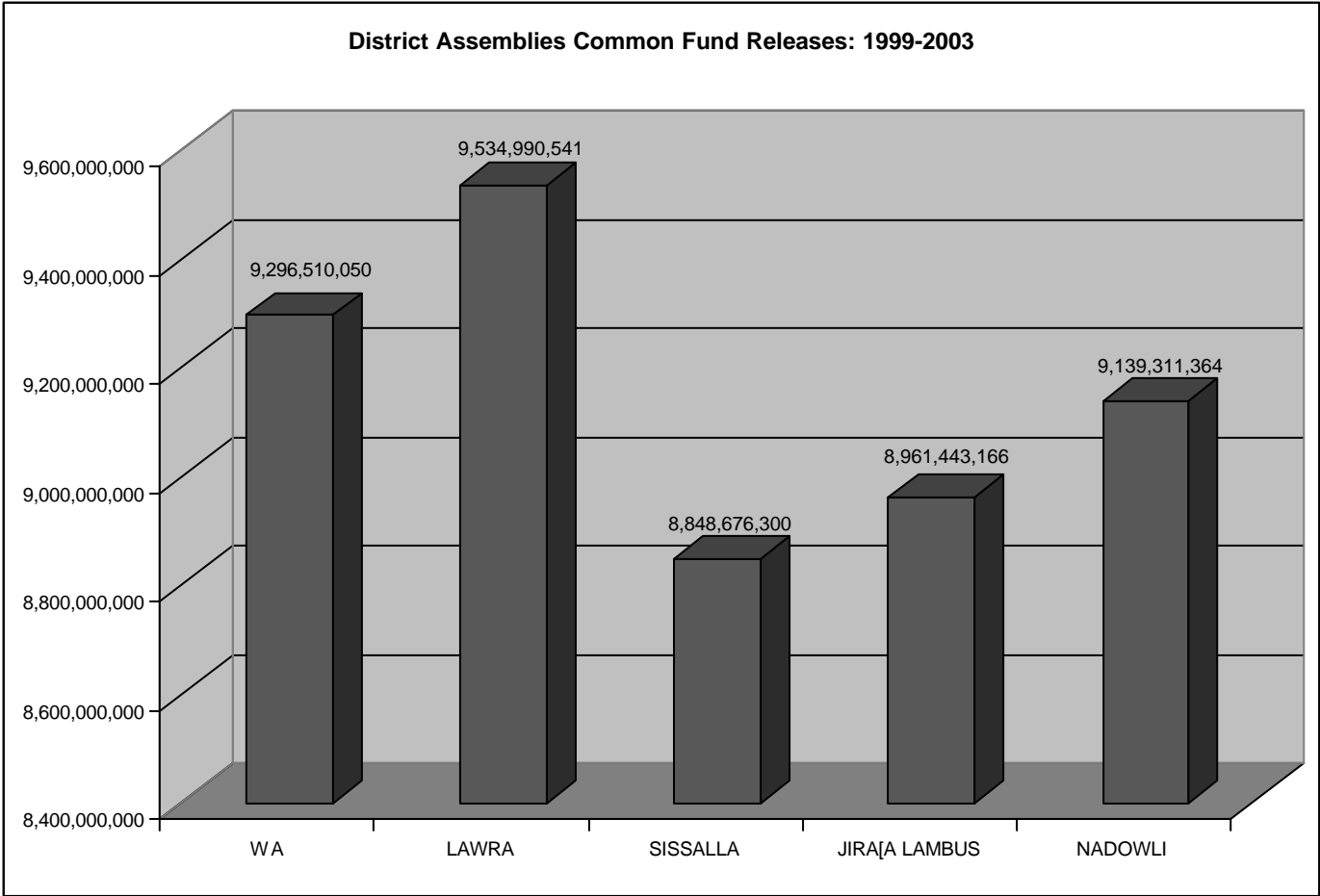
# Grants by Region



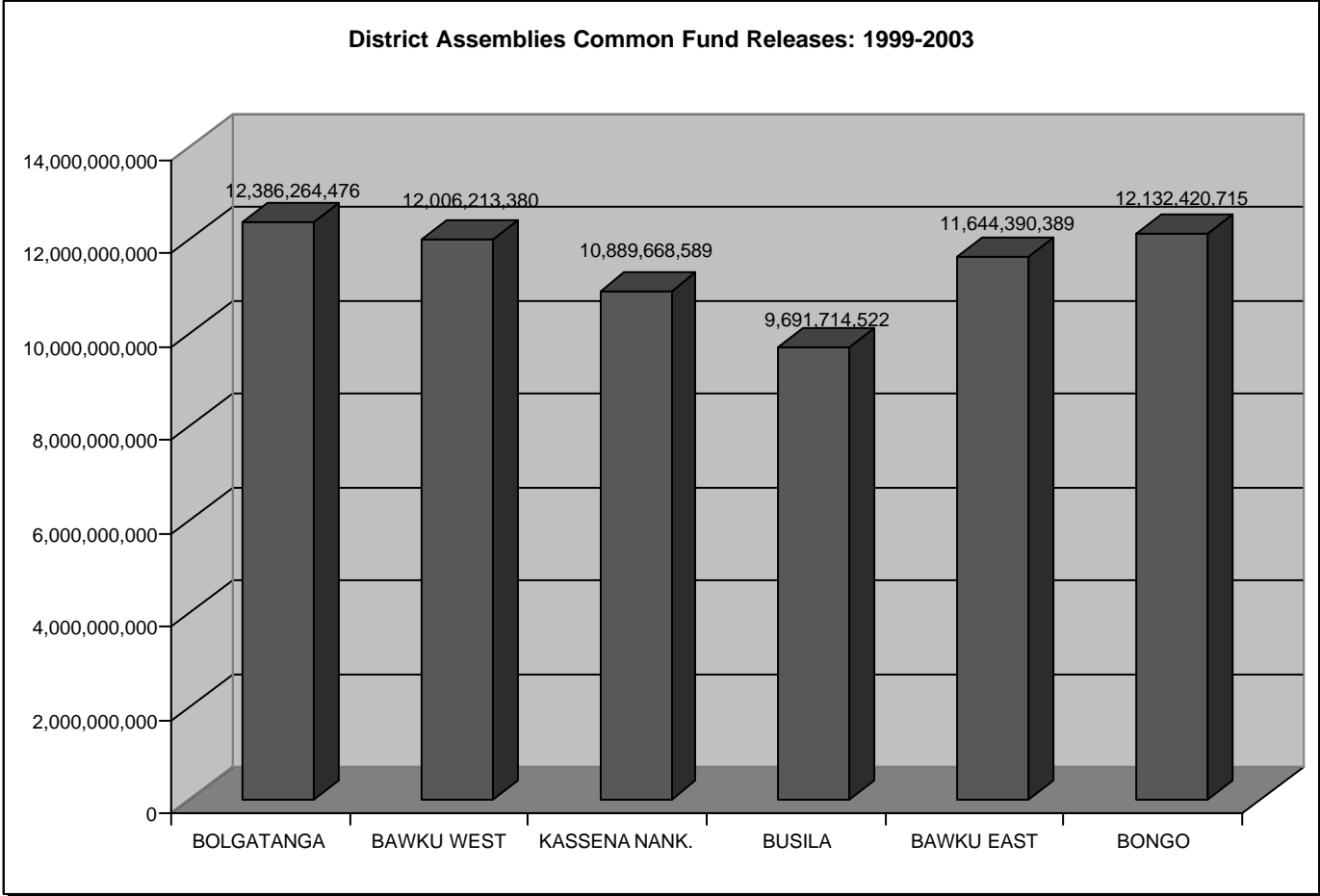
# DACF



# DACF(2)



# DACF(3)

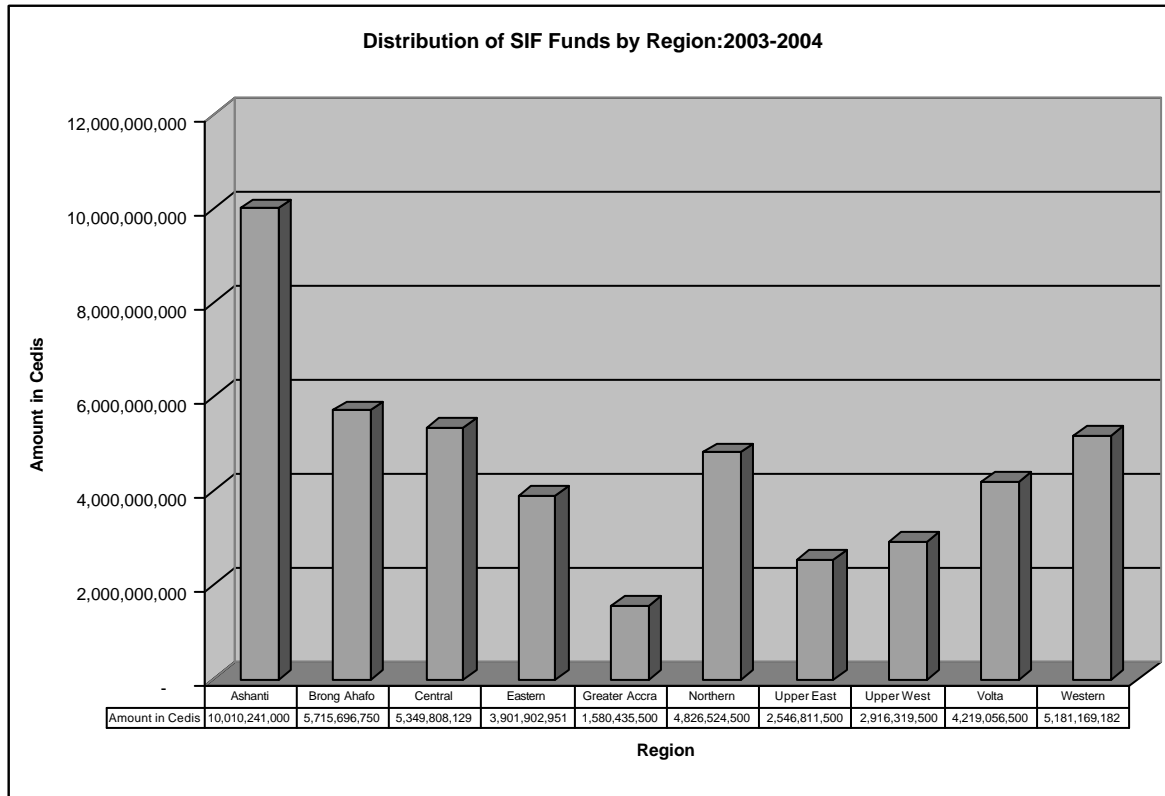


# Other Grants: SIF

Region	No. of Districts	No. of SIF District	Percent of Districts Covered
Upper East	6	5	83.3
Upper West	5	5	100.0
Northern	13	11	84.6
Volta	12	7	58.3
Eastern	15	10	66.7
Western	11	9	81.8
Bg-Ahafo	13	9	69.2
Central	12	9	75.0
Ashanti	18	11	61.1
Gt Accra	5	4	80.0
<b>Total</b>	<b>110</b>	<b>80</b>	<b>72.7</b>

- In 2003 and 2004 approximately ₵46.248 billion was disbursed to 80 out of the 110 districts. The coverage of districts is highest in the 3 northern regions.

# SIF(2)



- Upper East and Upper West Regions have some of the smallest receipts to date.
- On a per capita basis, however, the allocation looks more equitable.

# HIPC Funds

- Districts benefited from the HIPC Funds in two ways:
  - by direct allocation to Metropolitan, Municipal, and District Assemblies for projects approved by the MLGRD and the MOF and,
  - through some MDAs who requested HIPC funds to implement particular projects and programmes at the district level
- But more critical is how the funds channeled to the MDAs were deployed.

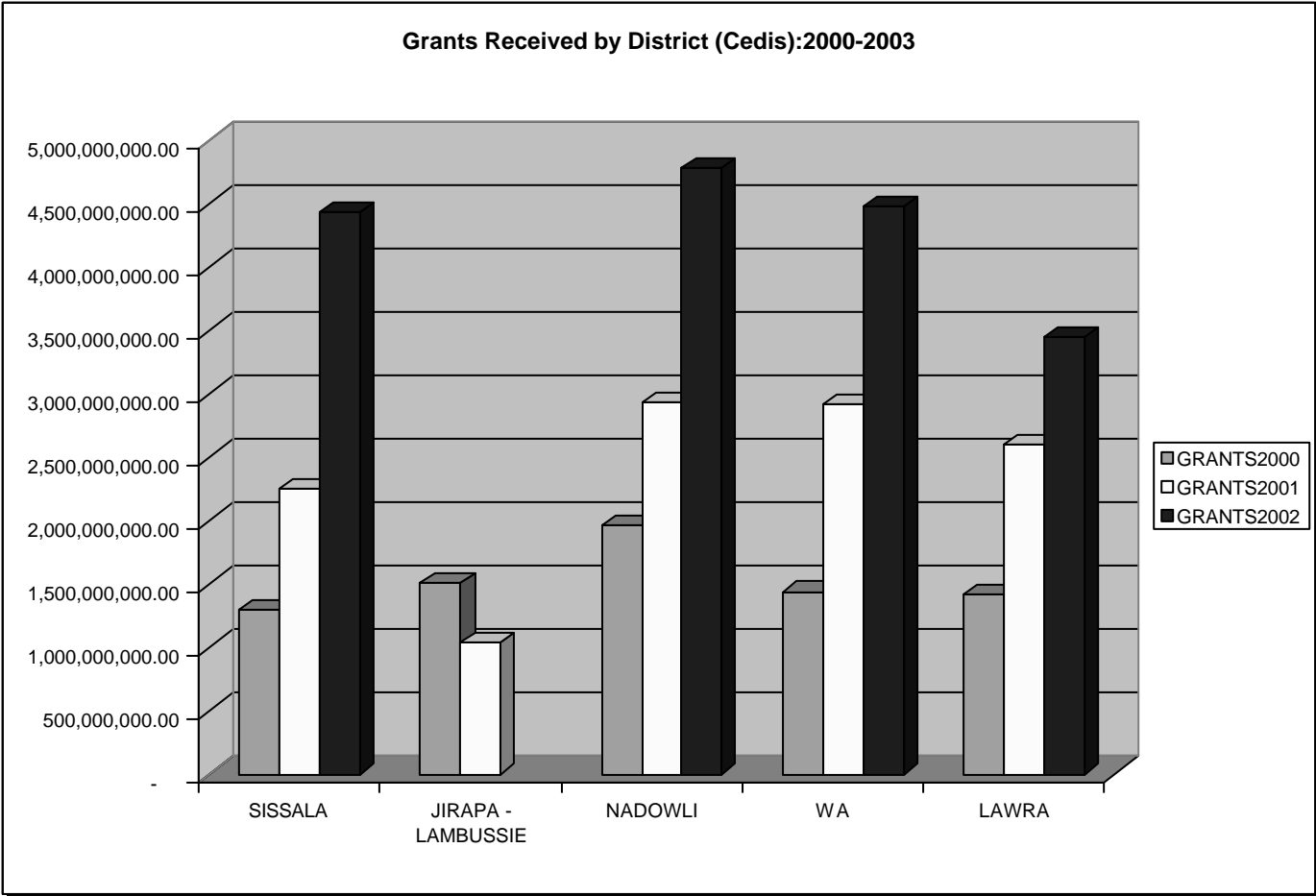
# Other HIPC Funds

- Women's Development Fund provides significant microcredit
- Office of the Senior Minister
  - ₪18.6 b Micro credit
- Ministry / Regional Coop & NEPAD (ESRP)
  - ₪10.48 b micro credit
- *Ministry of Energy*
  - A total of ₪35,6b was disbursed towards extension of electricity to communities, payment for high tension poles and ECG subsidy for lifeline consumption of electricity.
- *Ministry of Lands and Forestry*
  - A total of ₪10,999,800,000 was disbursed towards forest plantation development.
- *Ministry of Food and Agriculture*
  - A total of ₪16,420,642,575 was disbursed by MOFA towards local production of agro-processing machinery, development of groundwater schemes for agriculture and importation of tractors from India.

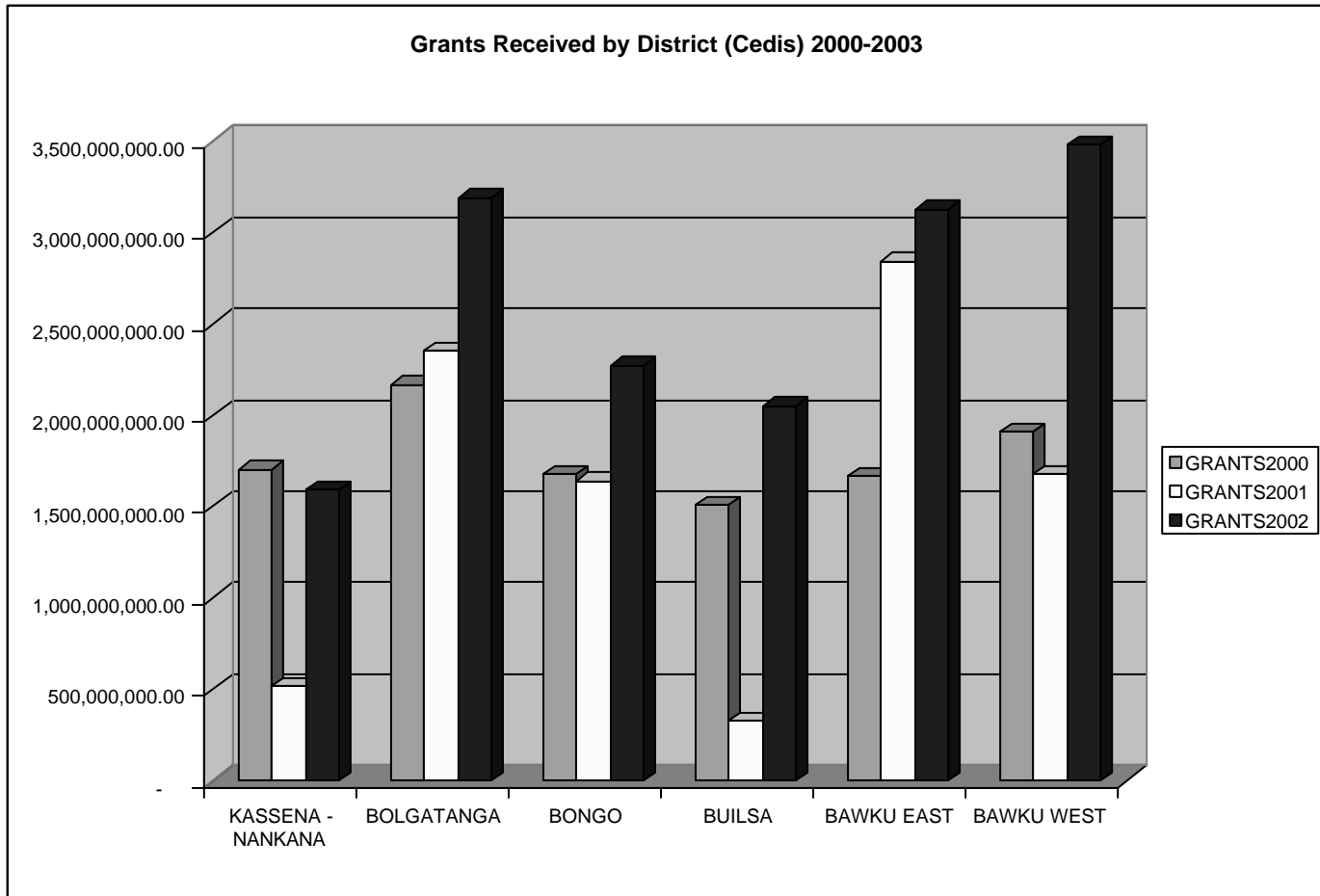
# Direct Support from donors: CIDA

Priority	2000/2001	2001/2002	2002/2003	2003/2004
<b>BASIC HUMAN NEEDS</b> (Northern, Upper East, Upper West)	\$6,485,660	\$13,843,678	\$11,025,192	\$20,066,662
<b>ENVIRONMENT (Nation wide)</b>	\$534,896	\$534,519	\$683,549	\$643,307
<b>GENDER EQUALITY</b> (Nation wide)	\$1,159,721	\$1,248,321	\$1,228,399	\$1,401,298
<b>HUMAN RIGHTS, DEMOCRACY, GOOD GOVERNANCE</b> (Northern, UE &UW 30%; Nationwide 70%)	\$6,079,488	\$5,269,858	\$3,147,010	\$6,284,175
<b>INFRASTRUCTURE SERVICES</b> (Nation wide)	\$490,218	\$496,984	\$644,733	\$12,271,844
<b>OTHER PROGRAMMING (nation wide)</b>	\$815,399	\$4,381,305	\$4,365,277	\$1,192,279
<b>PRIVATE SECTOR DEVELOPMENT</b> (Nation wide)	\$2,011,023	\$1,117,029	\$792,373	\$1,213,656
<b>Total</b>	<b>\$17,576,405</b>	<b>\$26,891,693</b>	<b>\$21,886,532</b>	<b>\$43,073,222</b>

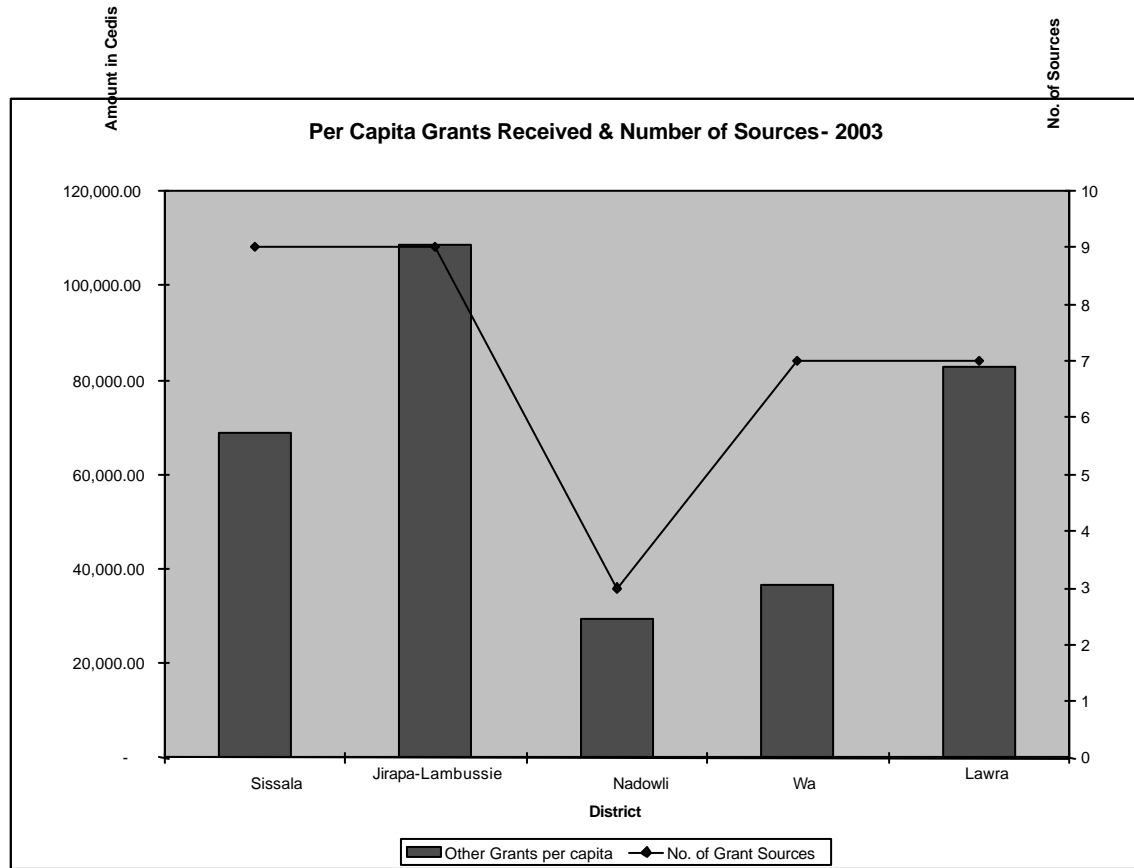
# Grants by District in UW (1)



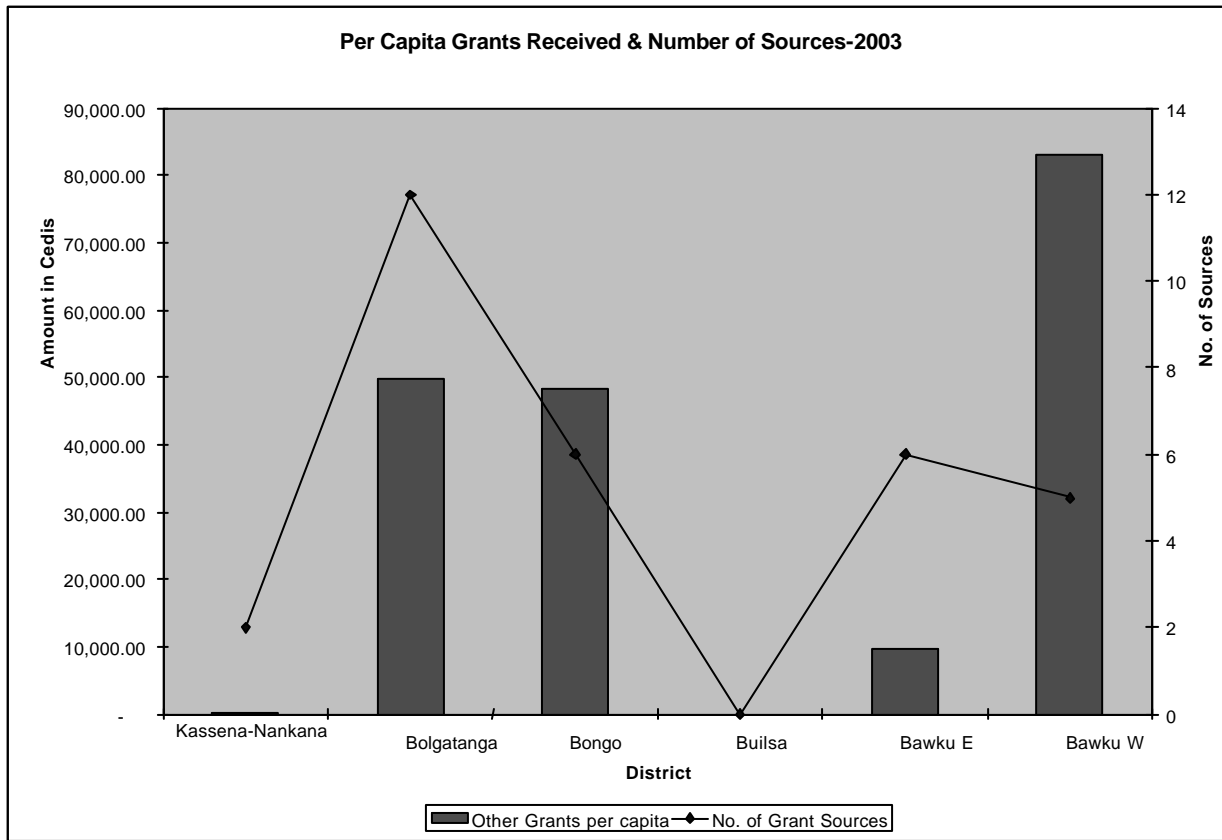
# Grants by District in UE (2)



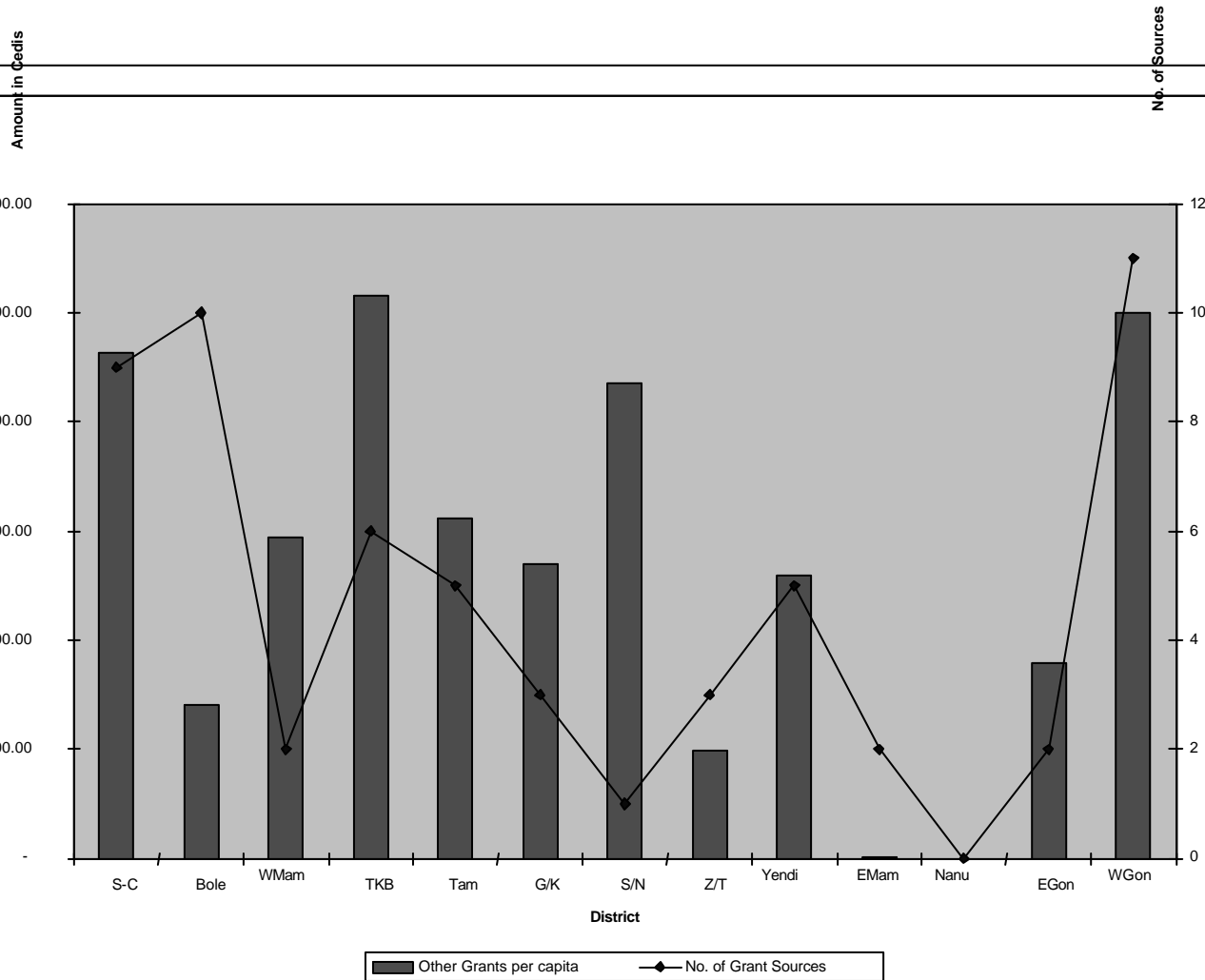
# Other Grants by District -UW



# Other Grants by District -UE



# Other Grants by District - NR



## 6. Does the data on financial flows to northern Ghana reflect a recognition of the poverty situation?

- The constitution recognizes a need for spatial equity, as does indeed the law on decentralization, hence criteria for DACF allocation
- In the past Government policy focused on increasing the proportion of total discretionary expenditure to basic social services and infrastructure for the poor without necessarily focusing on the spatial distribution of the poor.
- For an assessment of public effort it would be ideal to check the correlation between flows and poverty rankings of districts, but current data reliability does not make that feasible
- While on-going reform suggests a commitment to greater equity in financial flows, it is not obvious that this is always achieved at the implementation stage, for several different reasons.

# Conclusions

- It is possible to obtain disaggregated data that could serve as baseline for monitoring progress on poverty reduction in the 3 northern regions.
- A limitation of the centrally collected data is the low frequency of production.
- Currently it is near impossible to obtain adequate and disaggregated data on the financial flows to the 3 northern regions. The most reliable source of financial data is the trial balance but it does not capture external resources that are not under the control of the DAs.
- It is apparent that the DAs are in a better position to capture the financial flows to their respective districts than the other stakeholders. The burden is therefore on the DAs to devise a system to capture all inflows into the district.
- Except in the case of the DACF, it is difficult to establish any link between resource flows to the 3 northern regions and

# Recommendations

- District planning officers must be trained to enable them update the list of indicators frequently. (What Training?)
- All stakeholders must collaborate to devise a monitoring system that captures all expenditures at the district level.
- Effort must be made to secure a reliable breakdown of expenditure under sector wide programmes and projects by district/region.