

# Govt releases GH¢987m Common Fund to assemblies

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 PARLIAMENT HOUSE

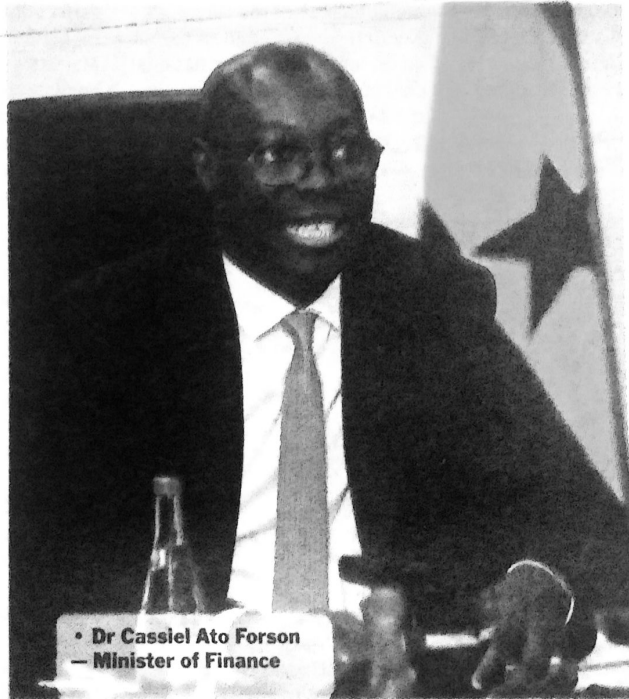
**T**HE government has disbursed GH¢987.96 million to the District Assemblies Common Fund (DACF) as the first quarter allocation for 2025, the Minister of Finance, Dr Cassiel Ato Forson, has told Parliament.

The disbursement, he said, underscored the government's renewed commitment to fiscal decentralisation and the empowerment of Metropolitan, Municipal and District Assemblies (MMDAs) across the country.

He stated further that the amount had already been transferred from the Consolidated Fund to the DACF Administrator and would be governed by strict Cabinet-approved guidelines to ensure transparency and alignment with national development goals.

## Breakdown

Briefing Parliament on the development yesterday, Dr Forson, who is also the Member of Parliament (MP) for Ajumako-Enyan-Esiam, disclosed that Cabinet had approved detailed expenditure categories to guide how the



disbursed funds were spent at the local level.

He explained that 25 per cent of the total amount was earmarked for the design and construction of a model market in each district while health infrastructure would receive 10 per cent of the funds, with a minimum of two health compounds to be constructed in rural assemblies.

Dr Forson also said another 10 per cent had been set aside for educational infrastructure,

specifically the construction of a kindergarten block, a primary school block and a junior high school block in each district.

"Mr Speaker, again, we have earmarked 10 per cent of the amount that will be sent directly to the Assemblies for the provision of school furniture," he added.

In the area of water and sanitation, the Finance Minister said 10 per cent was allocated to provide potable water, including at least 10 boreholes in rural

assemblies.

Additionally, he said 20 per cent of the released amount was to be used to complete abandoned and uncompleted legacy projects initiated by the former regional development authorities — Middle Belt, Coastal and Northern Development Authorities.

Dr Forson, however, stated that administrative costs, monitoring and evaluation had been capped at five per cent to prevent the misuse of funds.

## Accountability

The Ajumako-Enyan-Esiam legislator stated that under the new directive, the Administrator of the DACF was mandated to ensure that not less than 80 per cent of the amount was transferred directly to the district assemblies without fail.

He added that assemblies were required to submit detailed expenditure returns to the Ministry of Finance before subsequent quarterly disbursements were made.

Dr Forson said the release of funds marked a turning point after years of erratic disbursements that undermined the effectiveness of local governments.

He pointed out that between 2017 and 2024, only 40 per cent to 50 per cent of DACF allocations were actually transferred to the assemblies, leaving MMDAs

under-resourced and unable to meet the development needs of their communities.

The current administration, he assured, was determined to reverse that trend.

"We are committed to adequately resourcing MMDAs and ensuring that effective and accountable utilisation of these resources is maintained at all times," he said.

## Revitalising local development

Dr Forson said the total DACF allocation for the year 2025 stood at GH¢7.57 billion, out of which GH¢6.1 billion — representing 80 per cent — would be disbursed directly to the assemblies to spur local economic activities.

"Mr Speaker, in view of that, every District Assembly will receive a minimum of GH¢25 million this year," he explained.

"Let us work together to strengthen the Metropolitan, Municipal and District Assemblies and position them as engines of local economic development," Dr Forson urged his fellow MPs.

He further encouraged MPs to monitor the implementation of the spending guidelines within their constituencies to ensure that the intended development outcomes were achieved.