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FACTSHEET

Strengthening Local Governance in Ghana

Switzerland, through the Swiss State Secretariat for Economic Affairs (SECO), supports Ghana in improving local governance. The various projects aim to strengthen local governments by providing performance-based financing, promoting policy discussions, building capacity and encouraging citizen participation. These efforts help to improve service delivery, reduce inequality and drive sustainable development for all.

The overall goal is to support the implementation of Ghana's decentralization reform to improve service delivery in districts through effective local governance and active citizens participation.

Country/region
Ghana

Executing agency
Government of Ghana (GoG), Gesellschaft für Internationale Zusammenarbeit (GIZ)

Duration
2024-2028

SECO contribution
CHF 26'069'000

Background

Strengthening local governance is pivotal to Ghana's development strategy. It enhances service delivery by ensuring resources reach all areas efficiently, engages citizens in decision-making processes, and reduces inequalities between urban and rural regions. By fostering equitable development and supporting local economies, this approach creates jobs, improves infrastructure, and includes marginalized populations in the nation's progress.

Since 2010, the Government of Ghana (GoG) has pursued successive policies designed to transfer power, authority, and responsibilities to Metropolitan, Municipal, and District Assemblies (MMDAs). Anchored in the 1992 Constitution and the Local Governance Act, 2016 (Act 936), these policies aim to empower MMDAs to provide essential services and attract investments that foster sustainable development.

While progress has been made, challenges such as inadequate infrastructure, limited resources, and unequal access to services remain. Addressing these barriers is critical to realizing the full potential of strengthening local governance, improving local service delivery and ensuring its benefits reach all citizens.

Objectives and Activities

Switzerland, through the Swiss Economic Cooperation and Development (SECO), partners with Ghana to advance local governance reforms. SECO's support is structured around three strategic focus areas:

1. **Strengthening ownership and commitment at the central government level**: SECO builds the capacity of central government institutions and facilitates high-level policy dialogue. These efforts help maintain momentum for reforms, ensuring transparency and accountability through regular updates on progress.
2. **Improving infrastructure and service delivery at the local level:** SECO, together with the KfW Development Bank, supports Ghana's financial transfer system, where central government allocations to MMDAs vary based on their performance, incentivizing improved governance and service delivery (District Assembly Common Fund - Responsiveness Factor Grant, DACF-RFG). This system empowers district assemblies financially to enhance local infrastructure and ensure efficient delivery of public services. The performance-based system further incentivizes and improves performance and compliance of districts with the legal and regulatory framework and strengthens accountability. Additionally, SECO supports improvements to the Intergovernmental Fiscal Framework, streamlining the transfer of funds to districts and enabling more predictable and effective financial flows to local governments.
3. **Building capacities of local governments and enhancing accountability**: SECO improves capacities at the local level through targeted trainings for local government staff and assembly members, provided by the Institute of Local Government Studies (ILGS). Technical assistance in data management and land-use planning is implemented through the Gesellschaft für Internationale Zusammenarbeit (GIZ). These efforts equip local governments with the tools needed to plan effectively, allocate resources efficiently, and deliver public services more reliably. In addition, SECO, through GIZ, strengthens mechanisms for meaningful citizen participation and empowers the local communities to actively engage in governance processes and hold authorities accountable for service delivery.

Past achievements

SECO has been supporting local governance in Ghana since 2013. The first phase supported the District Development Facility (DDF) from 2013 to 2015. After the transition into the DACF, the second phase supported the Government of Ghana from 2019 until 2023 with CHF 23 Mio. In 2022 alone, the program financed 811 Infrastructure projects and trained 49'764 local government staff (of which 33% were female). In addition, a previous project supported the GIZ with EUR 3.5 Mio. to improve conditions for inclusive development by supporting national and local revenue collection.

Further information and contact details

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Growth-promoting economic policy

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WEMU / 2026