

**STATEMENT TO PARLIAMENT**

**BY**

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**MINISTER FOR FINANCE**

**ON**

**PAYMENTS TO STATUTORY FUNDS.**

**3RD JUNE, 2025.**

1. Rt. Hon. Speaker, I am grateful for the opportunity to brief this august House on the payments to statutory funds.
2. As a Member of this House, I am fully cognisant of the considerable interest that Honourable Members attach to this important subject, which lies at the heart of fiscal decentralisation.
3. First and foremost, I wish to express my sincere appreciation to colleagues for their continued cooperation.
4. Mr Speaker, I will begin today’s brief with the District Assembly Common Fund (DACF).
5. Rt. Hon Speaker, our effort is driven by President John Dramani Mahama’s unwavering commitment to decentralised development, as articulated in Chapter Twenty (20) of the 1992 Constitution.
6. It is well established that the Metropolitan, Municipal and District Assemblies (MMDAs) have gone through severe financial strain over the past eight years due to the unfortunate recentralisation of the District Assembly Common Fund.
7. Rt. Hon. Speaker, it is evident that decisions taken in recent years have regrettably undermined the capacity of MMDAs to respond effectively to the pressing needs of our people at the local level.
8. Rt. Hon. Speaker, in the past eight years, a paltry 40% to 50% of transfers to the Common Fund were disbursed directly to the District Assemblies, thereby denying MMDAs the ability to spur local economic development.
9. Mr Speaker, the Government under President John Dramani Mahama is resolute in its determination to reverse this trend.
10. We are committed to adequately resourcing MMDAs and ensuring the effective and accountable utilisation of these resources.
11. In line with our promise to revitalise the local economy, the Mahama administration has prioritised improving the financial strength of the District Assemblies.
12. I wish to commend Members of this House for endorsing, as part of the 2025 Budget, Government’s proposal to ensure that a minimum of 80% of allocated DACF resources are transferred directly to the MMDAs.
13. Without doubt, this measure will empower Assemblies to drive economic growth at the local level and deepen the process of decentralisation.
14. Mr Speaker, through this policy initiative, Government is guaranteeing that approximately GH¢6.1 billion of the GH¢7.57 billion earmarked for 2025 will be disbursed directly to spur local economic activities at the district level.
15. Mr Speaker, our focus extends beyond the mere release of funds. We have taken decisive steps to ensure that these resources are utilised in line with government’s economic objectives.
16. Section 126(3) of the Local Governance Act, 2016 (Act 936), mandates Government to determine the categories of expenditure within the approved development budgets of District Assemblies that must be funded through the DACF.
17. In compliance with this, the Cabinet of President Mahama has approved guidelines to ensure the prudent and accountable utilisation of these funds.
18. The guidelines as approved by Cabinet are as follows:
19. 25% of the amount transferred to the District Assemblies is to be utilised for the design and construction of 24-Hour Economy Model Markets.
20. 10% for the construct of health facilities (minimum of 2 CHPS compounds) per Assembly.
21. 10% for the construction of educational facilities (1 KG block, 1 primary school block and 1 Junior High School block).
22. 10% for the provision of potable water (minimum of 10 boreholes for rural Assemblies).
23. 10% for environmental sanitation (solid and liquid waste management).
24. 10% for the provision of school furniture.
25. 5% for the administration of the Assemblies, including monitoring and evaluation.
26. And finally, recognising the need to complete abandoned legacy projects, including the numerous uncompleted structures left behind by the Middle Belt Development Authority, Coastal Development Authority and the Northern Development Authority, we have allocated a whopping 20% to fix the mess.
27. Mr. Speaker, we are steadfast in our resolve to ensure strict adherence to the utilisation guidelines governing funds allocated to the Assemblies.
28. Mr Speaker, we have transferred the sum of **Nine Hundred and Eighty-Seven Million, Nine Hundred and Sixty-Five Thousand and Seventy-Three Ghana Cedis (GHS987,965,073.00)** from the Consolidated Fund into the District Assembly Common Fund Account, being the first quarter amount due the DACF.
29. The Administrator of the District Assembly Common Fund is required to ensure that 80% of this amount is transferred directly to the Assemblies without fail and expenditure returns submitted to the Ministry of Finance before subsequent releases will be made.
30. Hon. Members are encouraged to monitor the utilisation of these amounts sent to their respective assemblies in line with the approved guidelines by Cabinet.
31. Rt. Hon. Speaker, I am pleased to report that under the leadership of President Mahama and the NDC, for the first time in several years, transfers to all other statutory funds have been made promptly and in full.
32. Notably, all transfers due to the National Health Insurance Fund for the period covering January to March 2025 have been paid.
33. A total amount of **Two Billion, Thirty-Three Million, Four Hundred and Sixty-Nine Thousand, Six Hundred and Seven Ghana Cedis (GHS2,033,469,607)** has been disbursed to the National Health Insurance Fund.
34. These disbursements have enabled the National Health Insurance Scheme to settle arrears owed to healthcare providers and to implement the Free Primary Healthcare and Ghana Medical Care Trust programme, also known as ‘Mahama Care’.
35. Similarly, Mr Speaker, the Ghana Education Trust Fund (GETFund) has received a total of **Two Billion, Seven and Ten Million, Two Hundred and Twenty-Seven Thousand, Nine Hundred and Forty-Seven Ghana Cedis (GHS2,710,227,947.00)** for the months of January, February, March and April, 2025.
36. As earlier announced in the 2025 Budget, funding for the Free Senior High School Programme is now fully covered under the GETFund.
37. Consequently, the challenges, including feeding, which previously impeded the smooth implementation of the programme, have been resolved.
38. Rt. Hon. Speaker, these payments are a clear reflection of our commitment to meet all statutory obligations in our priority sectors.
39. I encourage Honourable Members to continue to support our efforts as we chart a new course.
40. Let us work together to strengthen the Metropolitan, Municipal and District Assemblies and position them as engines of local economic development.
41. Rt. Hon. Speaker, I thank you.