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**EFFECT OF LOCAL COUNTERPART FUNDING DELAY ON  
PROCUREMENT OF DONOR FUNDED PROJECTS**

KNUST



A thesis submitted to the Department of Building Technology in partial fulfillment of the requirements for the degree of Master of Philosophy (MPHIL) in Procurement Management.

By

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NOVEMBER, 2014

## CERTIFICATION

I hereby declare that this submission is my own work towards the MPhil and that, to the best of my knowledge, it contains no material previously published by another person, nor material which has been accepted for the award of any other degree of the university, except where due acknowledgement has been made in the text.

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## ABSTRACT

Local counterpart funding and community development in infrastructural project delivery has been very important in the lives of the rural poor. This is by improving the quality of life of the people through improved access to basic infrastructural development and services. Lack of proper flow of counterpart funding has affected many projects in Ghana but the impact of foreign aid to developing countries has been so helpful. This has improved public procurement delivery performance in the country. The country has received overwhelming development assistance from donor partners over the years. The Government of Ghana in an effort to protect and to effectively utilize these funds partly provides proportion of the needed funds to ensure that Donor funds are properly managed and used for the intended purpose. This research is aimed at identifying the effect of Local Counterpart Funding delays on Procurement of Donor Funded Projects and offer recommendations to minimise them. To achieve this aim, a questionnaire was designed and distributed to some selected stakeholders to solicit first hand information on Local counterpart funds and donor funded project delivery in Ghana. The study employed purposive sampling technique to select 85 subjects for the study. The study revealed that most community projects depend on external support for project execution. However, community initiatives have been supported with local counterpart funding and this has been very beneficial to most communities. The study revealed that the most critical variables influencing local counterpart funding and donor funded project delivery are: bureaucracy in the procurement system, acquisition of land, poor information dissemination and lack of communication between parties. In conclusion, the study identified time and cost overrun as the effects of delays in local counterpart funding.

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## LIST OF ABBREVIATIONS

ADB	-	African Development Bank
AFDB	-	Africa Development Bank
ALNAP	-	Active Learning Network for Accountability and Performance
AUSAID	-	Australian Agency for International Development
DANIDA	-	Danish Government
DFID	-	Department for International Development
EU	-	European Union
GDP	-	Gross Domestic Product
GOG	-	Government of Ghana
IDB	-	Inter-American Development Bank
IFAD	-	International Funds for Agricultural Development
IGF	-	Internally generated funds
JICA	-	Japan International Co-operation Agency
LC	-	Local Counterpart
LCF	-	local counterpart fund
MDA's	-	Ministries, Departments and Agencies
MMDA's	-	Metropolitan, Municipal and Districts Assemblies
PAHO	-	Pan American Health Organization
PPA	-	Public Procurement Authority
PUFMARP	-	Pubic financial management reform programmed
RII	-	Relative Important Index
USAID	-	United States Agency for International Development

## CHAPTER ONE

### INTRODUCTION

#### 1.1 BACKGROUND OF THE STUDY

Governments from third world or developing countries have enjoyed lots of support and assistance from Multi-Donor agencies, countries and some financial institution like the World Bank and African Development Bank (ADB). This support includes the transfer of financial aid to partner countries. Ghana is no exception and are currently receiving support from the international community based on the government proven record of reducing poverty, good governance and sound economic management programs to develop and enhance the life of the people by coming up with public project (Mettle-Nunoo and Hildtch, 2000). Donor funds have lent support to several countries; evidence suggests that between 40-50 percent of Ghana's budget is dependent on donor funding and in recent times, the country could not secure the needed support due to the economic challenges faced by these partners (World Bank Report, 2005).

According to Mac Lure (1995) as sited in Chinulwa (2004), the flow of funds into developing countries plays an increasing role towards the budget process and services delivery in most African countries. These funds are brought in purposely for capacity building, skills development programs and lately, infrastructural development like roads, bridges, water and sanitation, and schools among others (Action Aid Report). Prioritization of infrastructure funding by the Central Government remains weak throughout the Poverty Reduction Strategy Process in most countries and, where major projects have been earmarked, budget allocations have been insufficient. Funding has also been seen as one of the primary measures

of a project's success and this is true especially for public projects in developing countries like Ghana, because public projects in these countries are procured with scarce financial resources.

Financing of Public Procurement has been challenge to most governmental institutions in Ghana and has been determined mainly by the type, size and timing of the project for which funding is sought. Source of funding for public procurement varies and may come from internally generated funds (IGF) through taxes, and/or from donor partners in the form of loans and grants. Public Procurement in Ghana such as works have been partly or wholly been funded by donor partners with some proportion being provided by the Government of Ghana in an effort to protect and to effectively utilize these funds. It is important to ensure that Donor funds are properly managed by the implementing agent and well used for the intended purpose. This includes compliance with the rules and regulations of the donor organization. Proper financial and project management is very important to any project being funded by donors. In a recent report on donor participation in Ghana, it was found that in spite of greater co-operation on the part of donors to accept government programs, international and foreign concerns as well as aid conditions continue to direct donor assistance with the effect of fragmental projects management. This has resulted in low disbursement of funds, delays in implementation of projects and inefficient procurement processes. The conditionality linked to attracting donor support have been politically motivated to an extent that, the beneficiary countries try to raise the rate of their economic growth, have good trade policy and efficient use of resources, but the emphasis is on Counterpart Funding and good Procurement Practices which is one of the grounds to attract more aid from their Donor partners. Counterpart funding is provided by the beneficiary country to supplements the donor effort to

complement the existing funding (Mosley *et al.*, 1987). It is very important to improve local counterpart funding by developing organizational structures, which include the human resources, governance and finance with very good systems in place to better position the nation to access funding from the international community and other governments. According to the International Funds for Agricultural Development (IFAD) report on counterpart funding in East and West Africa, there have been numerous occasions where lack of counterpart funding has severally affected projects and program implementation. This has increased due to a reduction in government income and restraints on the general levels of spending. By this, local counterpart funding can be improved, delays in local counterpart funding is increasingly affecting most public projects which in effect has hinder effective use of most project, hence affecting project completion.

Procurement funding is proven to be one of the most important factors for project success. Most of the factors affecting public procurement delays are qualitative such as client priority on construction time; contractors' planning capability, procurement methods and market conditions (Elchaig *et al.*, 2005). A project otherwise completed may not be regarded as a successful endeavor until and unless it satisfies the cost limitations applied to it. Procurement financing delays has a very recurrent phenomenon and has almost associated with all infrastructural projects.

Procurement delay may have an effect on stakeholders and it is generally seen as the most risky problem encountered in procurement delivering because of the overriding importance of time for both the donor and its counterpart in this case the government. It is very important to avoid delays in the public procurement process this is because it does not only save time and money but also permits the true award

of contract. A delayed contract could have ripple effect on other dependent procurement process.

## **1.2 PROBLEM STATEMENT**

In a number of projects in Africa, the arrangements between funding agencies have been less than satisfactory and have resulted in delayed project start-ups or general confusion in the implementation procedures. While co-financing can enhance the scope and size of a project, from the borrower's point of view it is a two-edged sword which needs to be carefully controlled for it not to add more complexity than rewards. In Ghana, lack of proper flow of counterpart funding has affected many projects, but the impact of foreign aid to developing countries has been so helpful and has improved public procurement delivery performance in Ghana, given the overwhelming development assistance that the country has received over the years from Donor partners. Public Procurement Delivery has been as an important function of government Thai (2001), that the procurement expenditure has great impact on the economy and need to be well managed.

Donor Partners and developing countries have over the years worked together to developed an integrated set of tools and good practices to improve public procurement delivery systems in developing countries. Most governments in developing countries have not been able to raise the funding they would need to procure projects. This has brought about the need for Innovative financing preference to aid and protect the interest of recipient governments in the quest for infrastructural development. Badu *et al.* (2011) retreated that traditional methods of financing have failed to resolve Ghana's infrastructural deficit.

The local counterpart funding is to ensure ownership and development interventions through the use of cost sharing as part of government responsibility. The parliament

of Ghana in their 2013 budget approved self financing of public projects with the use of Local Counterpart Fund for capital projects. Even though public procurement delivery processes have over the years received support. Funding challenges have affected the stages of the procurement process from the inception through to evaluation stage. Even though donors can delay the process for reasons of non fulfillment of conditionality, Local Counterpart Fund from recipient government may also be responsible for some delays (Bruton and Hill, 1991).

The local counterpart funding have improve access to public infrastructural development, but very few countries have clear policies for the promotion of local content in infrastructure provision and for those that do have, often have difficulty in implementing them (Well and Hawkins, 2008). Assistance from the donor partners is real, delay due to the effect of local counterpart funding of public procurement delivery process needs to be looked at.

Counterpart funding of projects instill a sense of ownership among beneficiary partners and governments and the supply of counterpart fund alone has been enough to promote ownership and sustainability of projects, given the importance of aid to the economy, However, there has not been any research work conducted that investigates the effect of Delay of Local Counterpart Funding on Procurement of Donor Funded Public Projects, hence this work.

### **1.3 RESEARCH QUESTIONS**

- i. What factors cause delays in Local Counterpart Funding in donor funded project?
- ii. How local counterpart funding delay does affects donor funded projects in procurement delivery?

- iii. What are some of the mitigation measures to prevent delay of local counterpart funding on donor funded projects?

#### **1.4 AIM**

The aim of this research was to explore the effect of Local Counterpart Funding delays on Procurement of Donor Funded Projects.

#### **1.5 OBJECTIVES**

The study objectives were:

- i. To identify the factors causing delays in Local Counterpart Funding in donor funded project in Ghana.
- ii. To determine the effect of local counterpart funding delay on Donor funded public projects procurement delivery.
- iii. To develop strategies to mitigate the effect of local counterpart funding delay on donor funded projects.

#### **1.6 SIGNIFICANCE OF THE STUDY**

The problem statement revealed that there is delay in funding procurement process in Ghana particularly in infrastructure projects. These delay leads to government spending substantial amount of money, which could have been used for other laudable projects.

This research work will add to existing body of knowledge in public procurement delivery where developing countries would seek to reduce the risk and improve local Counterpart Funding in donor funded projects. The effect of this will reduce delays in public procurement delivery and will allow for more accountability and full public partnership in the procurement process.

## **1.7 SCOPE OF STUDY**

The emphasis of the study was on Local Counterpart Funding delay effect on donor funded projects in Ghana, where the District Assemblies' represent government at the local level for community development. The study however focused exclusively on the MMDAs in the Central Region where local counterpart funding have taken place. This is because the operations of these MMDAs have fair representation on the duties and organizational structures across the country.

The research setting is located in Southern Ghana and has its Regional Administration at Cape Coast. The region is bordered to the west by the western region, Greater Accra to the West, Asante and Eastern Regions to the North and the Sea (Gulf of Guinea) at the South. The central region has twenty (20) districts which is made up of one (1) Metropolitan six (6) Municipals and thirteen (13) Districts Assemblies. The Central Region provided an excellent case study for this study because; there is a range of community support projects going on at several communities throughout the region, but had been faced with few challenges.

## **1.8 JUSTIFICATION OF THE STUDY**

Studies conducted in this area have only looked at how efficient and effective donor funding has contributed to community development without looking at the local counterpart contributions to the project delivery.

## **1.9 LIMITATION OF THE STUDY**

The research suffered data gathering from the part of the donor agencies, where attempt in retrieving responses for the administered questionnaires failed. For reasons best known to these organizations.

Notwithstanding the above limitations, the study results have not been affected and thus are credible, reliable and may be useful for any purposes.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

The literature review of this research is carried out to address the issue of Effects of Delay on Local Counterpart Funding on Procurement Of Donor Founded Public Project though not much has been done in this area of study, the chapter attempted to look at similar work or review undertaken by other authors on the subject to reveal the effects or impact of such occurrence, nevertheless references would only be made to selected areas pertinent to the research topic.

#### **2.2 LOCAL COUNTERPART AND DONOR PARTICIPATION IN PROJECT DELIVERY**

According to the Pan American Health Organization (PAHO), “Community participation,” in project delivery is a process that ensures the active participation of community members in programs or other efforts that are conducted in their interest (PAHO, 1984). PAHO identifies three distinct levels of community participation of donor funded programs which includes the utilization of services by the target community, the “cooperation” of the local community in foreign-funded programs, and community participation in the planning and management of health activities.

Akukwe (1999) revealed that community participation is a process of guaranteeing target communities to take active role in the conceptualization, design, implementation, and evaluation of externally funded programs designed in their interest. If this is well done the process ensures that the needs of the communities are given considerable attention before external funding approval. This continued

investment in counterpart funding has been driven mostly by a demand from donor agencies and developing countries on most support programmes. The World Bank has supported approximately 190 lending projects amounting to \$9.3 billion in 2000 - 2005 (Tanaka, 2006). And this has emerged as one of the fastest growing investments by donor organizations and multilateral developments banks. External aid generally inflows from industrialized nations to developing countries especially from the United States, have been less than one-half of 1% of the federal budget (USAID; 1996) and has never exceeded 0.30% of the combined gross national product of the industrialized countries (World Bank report: 1993 and Riddell, 1996). This calls for strong local counterpart support in donor funding of Infrastructural developments. Several rural development programs have failed to achieve their desired objectives due to poor organization and implementation strategies. Kerote (2007) in Nyaguthii and Oyugi (2013) revealed that, relevant methods that call for effective management of funds have been inadequate in allowing maximum utilization of local resources. He also noted that, vital components of project implementation, project identification, monitoring and evaluation have not fully been managed by the committees in the constituencies. The level of contribution by counterparts from the rural communities and local officials can be defined as participation. Local communities are often asked to contribute in the form of voluntary by providing labour, materials or sometimes cash to support a project.

According to Kimenyi (2005), the introduction of community participation is designed to fight poverty through the implementation of developmental projects at the local level and particularly those that provide basic needs such as water and sanitation, Agriculture health and education. In Ghana many schools and health

centers have been built and equipped through the community participation of projects which have provided a lot of result (Bagaka, 2008).

Before the introduction of counterpart participation in projects and programmes delivery in the 1970's and 1980's, the concept of Local community participation in infrastructural development has evolved over time. But this has wildly been accepted with the promotion by non- governmental organizations and multilateral agencies such as the World Bank and other donor agencies.

Local counterpart participation in donor funded project participation had taken place in projects at different levels of society in different forms, ranging from money contributions, ideas, information sharing, consultation and empowerment. Local counterpart participation can also be seen as process where donors and communities cooperate and collaborate in developmental projects and programmes. This also provides empowerment to both the donor and the local counterpart through skills and knowledge acquisition and experience which can lead to self reliance and management.

The Inter-American Development Bank (IDB) explained that participation improves project design, help resolve or manage conflict, generate social learning and invention and strengthen local institutions. Participation is also seen as contributing to the goals of good governance, respect for human rights and democratization (IDB). More specifically, the Bank sees the potential benefits of participation as:

- Greater relevance and appropriateness of the development processes and products.
- Increased commitment and stakeholder ownership of projects and a willingness to share costs.

- Greater efficiency, understanding and better planning, based on the concerns and ideas of a wide range of stakeholders.
- A better match between human capabilities and physical capital investment.
- Greater transparency and accountability and improved institutional performance.
- Enhanced information flows which allow markets to function more efficiently.
- Increased equity by involving the poor and disadvantaged in development efforts.
- Strengthened capacity of stakeholders, as a consequence of their involvement in the process of development action.

According to the Bhatnagar and Williams (1992), in a World Bank Report, participatory approaches should allow governments to:

- Collect more accurate and representative information about the needs, priorities, and capabilities of local people, and the impact of government initiatives and programmes.
- Adapt programmes to meet local conditions so that scarce resources can be employed more effectively.
- Deliver better quality and demand-responsive services.
- Mobilise local resources to augment or even substitute for scarce governmental resources.
- Improve utilisation and maintenance of government facilities and services.
- Increase public recognition of governmental achievements and legitimacy.

### 2.3 LOCAL FUND

Local fund is a fund to support community and municipal base initiatives, and is available through institution located within these communities. According to Salterthwaite (2002) many local funds also use loans and are often combined with support for community base saving groups. Local funding ensures high levels of local ownership, this is because people will not devote in processes that will not benefit them when they know that they will have to repay even part of the cost. It is believed that high levels of local engagement reduce the chance of corruption if the implementing agency is known by the community. Locals funds reduces the time and cost for community or an organization to access resources, but it is demand driven and create effective system for absorption of external funds.

Salterthwaite (2002) in his work reported, that there is a growing tendency among donor agencies to concentrate their funding on governments that they judge to be very good in their administrative process. But this will penalize many of the poorest people in the world, who suffer not only from inadequate income and asset bases but also from incompetent governments. Local funds allow donor agencies to channel funds directly to community based organization in countries where they do not want to support governments.

Local funding need to learn from other local funding established and also to recognize the need to have their structure and procedures rooted in local contexts. Local funds have common goals and are based on many shared principles, but they need to be shaped according to what work best in each location. Local funds work best where there are representative and inclusive community based organization formed by urban poor groups and local governments that are capable of being supportive.

## **2.4 THE DEVELOPMENT OF LOCAL FUND**

Local funds in developing countries have emerged out of the experience of both social and challenge funds. Beall (2005) defined local funds as several sectors targeted to benefits a country's poor and vulnerable groups based on a participatory manner of demand generated by local groups and screened against a set of eligible criteria. Social funds were developed from the early 1980s as a strategy to counteract the social cost of the structural adjustment programs which was promoted and supports by the World Bank.

The main aim of local funds is to alleviate poverty through financing of activities that include social service programs, infrastructural developments such as schools, health centers, water supply and sanitation. Local funds had helped rural and urban communities to develop their own standard for engaging the communities to deliver projects to the satisfaction of the people.

### **2.4.1 Attributes of local fund**

Local fund have been used over the years as a means to gather small resources targeted directly towards urban and rural communities. The funds are;

- Swift and flexible
- Local funds are demand driven and operate in response in demand arising from local communities themselves.
- Stimulate partnership
- Leverage resources
- Co-financing (Beall, 2005).

## 2.5 DONOR FUNDED PROJECTS

Most developing countries do not have enough money resources to enable them to do what their people required of them. Due to this, governments from developing countries are therefore finding ways of getting additional resources and one of such ways is the help from donors in the form of loans and grants to support their budget. The presence of these donors in the economy over the years has served the country well in most areas. Even though the introduction of donors in the development of most countries has help significantly, some countries are tumbling deeper and deeper into donor dependency and this dependency has been very difficult to split.

According to Kisubi (2005), Donor support needs to move away from an approach whereby the donor seems to be in the driving seat and the target community members are passive recipients. Many of the recipients know exactly what they want to do. In fact the communities have even more technical expertise in some of the areas, than the donors themselves. They also understand the local situations and their people better.

In many cases donors by themselves have implemented programmes directly for recipient's communities. The challenge lies in the provision of adequate funds for the relevant sectors involved, and donors are in a position to support with their resources and technical assistance to start programmes in developing countries. In some instances, the donors' agenda is hidden. The donor's role should not be about doing things for the recipients, as is sometimes the case, for this kills initiative, innovativeness and lowers participation, but, rather, to support and create an enabling and supportive environment (Kisubi 2005).

Donor funded projects include capital intensive projects such as major construction or significant reconstruction and major fixed assets which are partly or wholly

financed with donor funds. These are termed donor funded projects. In Ghana, most road projects are partly or wholly funded with donor funds. This is because the revenue generated in the country may not be enough to undertake such projects.

Donor fund comes in the form of loans and grants from bilateral and multilateral donor agencies. In a study of road funds in Ghana, Malawi and Tanzania it was reported that, the overall GOG road sector funding from 1996 to 2001 was US\$ 1,121.00 million. Donor funding represents about 44%, which is 496.00 million (Andreski, 2008). These funds come from donor agencies such as:

1. Africa Development Bank (AFDB)
2. Japan International Co-operation Agency (JICA)
3. European Union (EU)
4. Department for International Development (DFID)
5. International Development Association
6. United States Agency for International Development (USAID)
7. Australian Agency for International Development (AUSAID)
8. Danish Government (DANIDA)

## **2.6 INFRASTRUCTURAL DEVELOPMENT AND LOCAL COUNTERPART PARTICIPATION**

Infrastructural and community projects over the years have been carried out in many communities across the length and breadth of the country to improve life of the people. Many of these projects were done with contributions from the Local Assemblies or the central government and the beneficiary communities in kind, cash, materials, tools, labour, administration and supervisions, which are normally done through communal labour and self helps projects (Satterthwaite, 2002).

The participation of local counterparts in infrastructural development is very important since local counterparts have lots of knowledge on their local environment, culture, vulnerabilities, requirements, and building techniques. With this experience from the local counterparts public development should be jointly planned by both local and donor partners where both parties are contributing to the project. The practice of local counterpart participation in the execution of donor funded projects increases the level of community investment and believed that more people and resources in communities are mobilized for lower-cost project with fewer fund from the government and district assemblies. This practice allow for re-allocation of funds to finance more infrastructural projects (Stein, 2001).

Infrastructural developments in most communities in Ghana may includes

- Roads, gutters and walkways
- Expansion of electricity and portable water
- Improvement, expansion and repairs of educational structures, health centers and other community works.

In all this projects funds provided by the local counterparts are non refundable to the beneficiary communities and are made to agreed to term of the conditions to contribute a certain proportion in percentage terms to the project (Bagaka, 2008).

## **2.7 TYPES OF LOCAL PARTICIPATION IN COMMUNITY SUPPORTS**

Community involvement in donor funded projects had differed over the years in terms of the extent of citizen involvement in decision making with respect to their preferred expected outcomes. This participation types include the following.

Local initiatives: Under this type the local counterpart or the communities conceives, initiates, and runs project independently; this occurs where there is an agency in participation in the community's projects.

Interactive: Participation is by analyzing the needs of the end users and programmed towards its achievement.

Supply of materials, cash, or labor: Helps decide how these resources are used by supplying funds; materials and labor needed to co-finance a joint project.

Supply of information: The local counterpart or communities providing information to their partners in response to questions but has no influence over the process (Bruton and Hill, 1991).

## **2.8 LOCAL FUND CHALLENGES**

Different constraints for participatory hinder the success of the possibility of effective participation between the different elements of urban development programs in developing countries; these constraints include factors that deals with the legal constraints, regulations and technical standards, planning methods, project management procedures, or absence of a workable model (Schubeler, 1996).

It is very important for Local counterparts to learn from one to identify the need to have their structure and procedures rooted in their local contexts. Local counterpart funds have common goals and are based on many shared principles, but they need to be shaped according to what works best in every community. Strong, representation of community-driven processes influences local funds respond to local situation. Local funds had worked very well, where there are representation and inclusive community-based organizations formed by urban poor groups and local governments that are sympathetic and capable of being supportive. In most cases these situation do not exist in most low-income and many middle income nations.

This does not mean that local funds cannot work in these areas or countries. But rather it means that care must be taken in setting up appropriate institutional arrangements, including those that support inclusive community-based organizations such as the savings and credit groups that underpin many urban poor federations. Local funds should not be pressed to spend donor funding before the institutional arrangements are in place (Satterthwaite, 2002).

Slow disbursements of funds have also delayed the potential benefits of many aid programmes, while the real value of the committed resources has tended to decline due to inflation and currency depreciation (Aryeetey and Cox, 2001). This has been a major handicap to local counterpart funding, because most donors have been reluctant to make fresh payments to beneficiary countries or communities where large amounts of funds are not disbursed.

Other challenges according to Satterthwaite (2002) facing those who manage the local funds which were raised in a discussion are as follows:

- The difficulties in managing expectations and maintaining trust, especially for pilot schemes where funding is only available for a short period;
- Setting appropriate conditions for obtaining matching resources from community groups without discouraging the groups with the least resources;
- Developing the capacity to monitor progress and measure outcomes;
- Avoiding the fund becoming a substitute for what local governments could or should be doing;
- Learning how best to connect the fund to supporting inclusive community processes and skill development (getting the right balance between supporting community groups taking over many key tasks but not dumping all the transaction costs on them).

- There is also a need for all local funds to continually ask such key questions as:
- Whose institutional capacity, political clout and knowledge base is the local fund strengthening?; and
- What implications do local funds have for further access by urban poor groups to local capital and other resources?

Local funds have worked well in areas where there has been fair representation and inclusive community-based organizations formed by urban poor groups and local governments that are sympathetic and capable of being supportive to the development of their communities. But these according to Satterthwaite (2002) do not exist in most low-income and many middle-income nations. This does not mean that local funds cannot work, but it does imply a need for caution, for care in setting up appropriate institutional arrangements, including those that support inclusive community-based organisations.

## **2.9 COUNTERPART FUND**

Counterpart funding is a technique for turning foreign aid into reserves of domestic currency. This was used by the Marshall plan of the United States as aid to Western Europe in rebuilding after the Second World War and remains a technique for developmental assistance today (Bruton and Hill, 1991).

Counterpart fund refers to the local currency obtained from the sales of commodities or foreign exchange which comes in the form of grants or soft loans received as aid by a government from donor country or international organizations and over whose use the donor has some control (Bruton and Hill, 1991). However Roemer (1988), defined counterpart funding as funds generated in developing countries when aid-

financed commodities, are sold to the public with proceed, deposited in accounts that are usually owned by the recipient government.

In setting up counterpart fund, the receiving country need to have a business that will import a commodity in the name of their government, and in another form goods donated to a developing nations is sold to the citizenry with the proceed used to open an account which is later used to finance development projects that have been agreed between the aid donor and the receiving government. Counterpart fund can similarly be generate by borrowing from abroad in the commercial markets, where this occurs government sells it for local currency. But under this condition the government has an obligation to repay this loan while the lender in return has an obligation to exercise no control over the use of local currency generated by the government. Where the fund is given as aid grant there is no repayment required, but the recipient agrees to allow the donor some control on the local currency as a condition for the grants.

The International Fund for Agricultural Development (IFAD) reported that lack of counterpart funding slows down implementation of government's projects, this occurs mostly because of reduction of overall government's income and general restrictions in the levels of spending.

The 2013 budget of Ghana gave priority to self-financing of public projects with the use of counterpart fund which represent proceeds from bonds which is expected to be used to finance infrastructural projects, like the Atuabo Gas processing project and many capital expenditure project which was approved by the Ghanaian legislature.

This has been made possible due to the approval by parliament for the government of Ghana to issue Eurobond to raise funds from the international capital market to finance developmental projects. Where counterpart funding is inadequate, it will be better to prioritize areas for funding and this will need a detailed budget for locally funded activities. But for the country to achieve economic growth as recognized by this public sector, management needs to be technically inclined (Parliamentary Report, 2013).

In Ghana local counterpart funding has been derived from various forms, where community contributes to the implementation of projects. Most communities had paid their counterpart funds through three main ways; namely, labor power, material contribution and cash contribution. They used their labor to pay, in full or in part, their counterpart fund, depending on the nature of the project. They cleared the site for the project, excavation of foundations, and carrying out concrete works and hardcore filling among others. Aside the labor, they also made material contribution to defray their counterpart funds. They provided sand, stones/gravels, wood especially for roofing, water among others as their input into the implementation of the projects. In some cases, the communities made cash contribution through levies, harvests, donations among others to procure materials like sand and stone for the project as part of their contribution. The District Assembly also pays cash to defray part of the counterpart funds for some communities (Braithair and Obeng-Nti, 2010).

## **2.10 PUBLIC PROCUREMENTS**

Public procurement over the years has been delivered through direct service provision. Providers and clients have not used the design format. Phillips *et al.* (2007) recognized that governance and politicians are likely to be held accountable

for public procurement although good governance reflects in public procurement delivery and strategy. This includes the techniques to acquire goods and services from contractors and suppliers outside of the project organization (Borke, 2010).

Public procurement is an important function of government, and it is believed that it must satisfy a set of requirements for goods, works, and services in a timely manner (Thai, 2001). All these processes must meet the basic principles of good governance, transparency, accountability and integrity (Wittig, 2003). The aim for public procurement is to achieve value for money, but Thai and Grimm(2000) believed that public sector procurement is very large and complex and accounts for between twenty to thirty percent of Gross Domestic Product (GDP) and traditionally attempts to meet many social and political objectives (Tether, 1977).

Public procurement is the process where public sector organisations acquire goods, services and works from third parties with much support, which includes the work of government and its routine items, to complex areas such as infrastructural development and others (Office of Government Commerce Report OGC, (2008). According to the Oxford Dictionary, procurement is the process of obtaining suppliers for something, especially for government or an organization. Ashwarth and Hogy (2000) define procurement in the construction industry as the process that is used to deliver construction projects.

Procurement is a process that involves two parties with different objectives who interact in a given market segment and was classified by Kerner (2006) into traditional and non-traditional systems, where Thwala and Mathons (2012) explained the traditional procurement system as one which has been in existence for a long time and has been the only choice available for most clients in the construction Industry for many years. While Bennet (2003) in opening up this

subject, alleged that for client to obtain a construction facility tenderers are invited in one of the following ways, such as open selected and negotiated tendering. The non-traditional procurement was seen by Masterman (2002) as a diversified modern-day procurement system and only considers design and construction, but funding is considered as very important in this classification. For the purpose of this study public procurement may be describe as the process by which government and other publicly funded entities acquire goods, works and services needed to implement public projects. Delays are often experienced in the procurement processes due to the several bottled necks in most of the community initiated projects, which include the delays in the provision of materials, labour which are to be provided at specific specifications and also due to socio-cultural practices of these communities. The order by government to local Assemblies to provide in percentage the counterpart fund on behalf of communities to support communities in donor funded projects has also become a problem since government is not providing funds to these Assemblies on time.

## **2.11 PUBLIC PROCUREMENT DELIVERY IN GHANA**

Public procurement delivery in Ghana over the years has undergone reforms as part of government trying to reduce corruption and to bring about transparency and enhancing service delivery. The Government of Ghana (GOG) enacted the public procurement Act, 2003, (Act 663) in December, 2003 which is currently serving as a guide and provides step, by step procedures to enhance public procurement delivery in Ghana.

The passing of the Act (Act 663) in 2003 is to ensure that modern procurement trends is adopted to bring the much needed sanity to local or public sector

procurement system which had been blemished by bad procurement practices such as corruption and other malfeasances. This was introduced because Public procurement reforms in Ghana over the years have lacked strong legal framework governing the public procurement process (Osei-Tutu *et al.*, 2010).

It will be very important if community leaders will understand the procurement process and the need to co fund community projects with donor support to have personal belonging of what the people contribute to. Though they may not be deeply involved in most community development as has been the case in some time past, were communities provide their portions through communal labour and provision of materials to facilitate the projects, now that the local government is providing all these support on behalf of the government for the local communities a critical studies must be carried to mitigate undue delays in local counterpart funding and develop measures to speed up the process.

## **2.12 LOCAL COUNTERPART FUNDING DELAY**

Delays in project delivery are very costly, complex and risky, because of its overall effect on the projects for all parties. In project delivery, delay can be referred to, as the happenings that take place at later dates than planned or expected or in other words beyond the date that parties agreed for the delivery of a project (Pickavance, 2005).

A delay occurs in every project and is generally believed as the common and costly problem that parties to a contract may encounter. But this delay comes with considerable varying problems from one project to another. There has been a wide range of views on project delay, notable among them are Aibinu *et al* (2002) where delay was seen as a situation where the contractor and the client jointly or severally

contribute to the non-completion of a project within the agreed contract period. Assaf and Al Hejji (2006) in another studies defined delay as the time overrun either beyond completion date specified in a contract or beyond the date the parties have agreed upon for the project delivering. However procurement delays are sources of potential risk and it include ways to manage the technical and socioeconomically aspect of projects. Delays of construction projects have over the years been seen as a universal phenomenon and are usually accompanied by cost overrun which has a devastating effect on clients, contractors and consultant in terms of cash flow and arbitrational problems (Chabota *et al.*, 2008).

This has earlier been seen in the work of Akinsola (1996) as major factor that has led to waste in construction resources. This is because in most cases the relationship between parties to a contract is often blemished with disputes which arise as a result in most cases.

For the purpose of this studies delay in local counterpart funding can be said to be constraint that prevent fund contribution on the part of one party which may prolong or bring to a stop a community projects which are jointly funded with donor support.

### **2.13 CAUSES OF LOCAL COUNTERPART FUNDING DELAY**

Earlier studies in the area of delay have shown that many countries shared common causes of delay although they are not in the same region. But the most significant issue faced by some of these countries is cash flow and financial difficulties faced by parties to the contract (Abdallah *et al.*, 2002).

Delay in Counterpart Funding was defined by Foreign Aid to Africa Report (1997), as the inability of Counterparts to raise the required portion of their local fund for project on time and this can be a major source of delay in most counterpart funding project delivery. But this may vary with projects and terms of implementation.

In that report donors were seen as been caught between helping partners developed structures by providing capacity building and helping developed institutional framework that allow systems to work instead of concentrating on selected individuals, as has been the case in many sector of the economy.

The unavailability of certain key people in project initiation could also cause delays or system collapse, which has been a problem in many local counterpart projects where some community members have come against projects in their communities. Many of the highly trained persons are incompetent in Aid Project Development and this incompetent and inexperienced highly trained staff waste a lot of capital and human resources (Foreign Aid to Africa Report, 1997).

Lack of local government support in providing their counterpart funds on time to support the donor aid has been a major problem and this has impaired donor programmes and projects in many communities in the country (Roemer, 1988).

In the area of local counterpart funding delay, it can therefore be said that the problem of delay is a serious problem on project delivering and this has affected Public Project Delivery. This is because governments at all levels of the economy have being the major investor of projects with some support from partners. It is however very import to avoid delay in the procurement process which may save time and money (Bagaka, 2008).

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 INTRODUCTION**

This chapter outlines the research approach, study population and sampling strategy used to carry out the research. It also includes data collection tools and the methods of data analysis in answering the research questions.

#### **3.2 RESEARCH APPROACH**

This research survey was adopted to investigate the effects of local counterpart funding delay on procurement of donor funded projects. Information was obtained from people who responded to a series of questions given to them through self-administered questionnaires in the subject area by the researcher. This included respondents from the Ministries, Departments and Agencies (MDA's) and Metropolitan, Municipal and Districts Assemblies (MMDA's) in Ghana as well as Donor organizations that have supported the country over the years in infrastructural developments.

A research survey was used to collect empirical data; base on the research aim. This was done by sending questionnaires out to the relevant respondents and analysing the responses returned.

A qualitative and quantitative approach was followed. Wyse (2011) defined qualitative research as primarily exploratory, which is used to gain understanding of underlying reasons and opinions. It provides insights into problems or help to develop ideas for quantitative research. Quantitative research relates to aspects that can be quantified or be expressed in terms of quantity.

This was used because of its impact in providing the necessary information needed for the studies. The Quantitative data collection was use in line with the research aim to produce a single piece of evidence that will be used to meet the study objectives. In an attempt to understand the research questions, questionnaires were designed on the bases that:

- Questionnaires responses are gathered in a standardised way and are more objective.
- It was relatively quicker in collecting information using a questionnaire.
- Information was collected from a large portion of respondents with high return rates from the MMDAs; however that cannot be said on the donor partners.

### **3.3 QUESTIONNAIRE DEVELOPMENT**

The questionnaire was developed in accordance with the objectives of the research that is to explore the effect of Local Counterpart Funding delays on Procurement of Donor Funded Projects. There were two sets of questionnaires for the parties involved and each of these questionnaires was divided into two parts. The first part requested background information of the respondents while the second part of the questionnaire focused on the objectives of the study.

A five scale points was adopted as part of the questionnaires and this is usually quite sufficient to stimulate a reasonably reliable indication of response direction according to Frary (1996). Respondents to the questionnaires were asked to rank the factors affecting local counterpart funding delays on the execution of donor funded projects using a scale of 1-5 (ranging from 5- Very High, 4-High, 3-Medium, 2-Low, 1-Very Low).

The principal methods used for collection of information for this study was structured questionnaires. The structured questionnaires consist of both closed and open-ended questions which were design in accordance with the objective of the study. After a review on the relevant literatures in the area of study, to evaluate members and practitioners of the local government service on their views on the study. The questions were briefly designed and were straight to encourage high response rate from the participants.

The primary data collected were obtained from the MMDA's within the Central Region which includes experts and professionals through the use of structured questionnaires and interviews that were self-administered. The questionnaires were structured into sections; section "A" was aimed at gaining demographic data such as level of education, gender and number of years in service to measure experiences while the other sections were aimed at determining the knowledge and views of donors and their local counterparts in projects delivery.

### **3.4 SAMPLING**

#### **3.4.1 Population, Sample Frame and Sample Size**

The study used purposive sampling technique, which is a non-probability sampling technique. This sampling technique was adopted with the reason that the researcher needs to gather knowledge from individuals who have particular expertise on the research aim. This method of data collection generalized situation from the sample that was selected as the general view of the population.

In this study the sample frame consisted of all actively donor agencies operating in the Central Region and the Local counterparts (communities) being represented by the MMDA's. In this research, the sample frame was donor agencies.

The study collected information on local counterpart funding on the execution of donor funded projects, and challenges faced by parties involved. In this study, a two-stage sample selection procedure was used. During the first stage, the researcher first identified from the Regional Coordinating Council a list of active donor organizations operating in most of the Districts in the Region, and the availability to take part in the work. The study population was made up of class of workers from the District Assemblies representing the local communities, selected workers from ministries, departments within the Central Region of Ghana. The population consisted of three members each from the 20 Assemblies within the central region of Ghana, consisting of 1 Metropolitan, 6 Municipal and 13 Districts Assemblies. But in assemblies where these members were readily not available or not in place at the time of visit, some members of staff at the managerial level with knowledge in the study area were used as part of the population. This brought the population of the study to eighty-five which includes the MDA's and the donor Agencies from the Central Region.

The number of questionnaire sent out to respondents is listed in Table 3.1 below which shows the total number of questionnaires distributed to the various organizations.

**Table 3.1: Sample size for each of the selected Establishment/Organizations**

Establishments/Organizations		Minimum sample size	Number of Questionnaires Allotted
1	Local government (MMDA's)	20	60
2	Ministries	3	9
3	Departments	2	6
4	Agencies	2	6
5	Donors	4	4
<b>Total</b>			<b>85</b>

### 3.5 SAMPLING TECHNIQUE

The study adopted purposive sampling. This method exposed the researcher to various stakeholders who have a lot of experiences on the issue under study. With the purposive sampling method adopted, three members were selected from every assembly included in the study, and there were selected randomly on availability with the help of Management staff from the Districts, departments, agencies and the donor partners. The selection criteria were based on:

- Management members who have in-depth knowledge in the subject area.
- Participation in donor funded projects and their knowledge on local counterpart funding of assembly projects.

In the case of the selection of Agencies and departments, the researcher made sure that members from these institutions had met the following criteria which includes the following:

- Previous or current involvement in Local counterpart and donor funded projects.
- Willingness to participate in the study and
- Knowledge in public procurement process.

This sampling method enabled the researcher to obtain a large number of completed questionnaires quickly and economically. In all, 85 sets of questionnaires were distributed to the potential respondents at selected levels in the various organizations.

All these groups of establishments were chosen as stakeholders in local counterpart funding development whose duties have direct influence on donor funding and infrastructural project execution.

### **3.6 DATA ANALYSIS AND REPORTING**

The collected primary data were collated and analysed using Relative Importance Index (RII). The primary data received were categorized into distinct groupings ranging from very low to very high on a five point scale. Data was presented using tables, charts and diagrams. Data presented in tables were descriptively explained using percentages.

### **3.7 CAUSES AND EFFECT ON LOCAL COUNTERPART DELAYS DIAGRAM**

A diagram has been introduced to illustrate the performance of the spokes, hubs and rim of a bicycle. The diagram distinguishes between the causes and effects of local counterpart funding delays in procurement of developmental projects. The diagram was constructed in a circular form with a flow chart from the center of the circle as

the hub to the circumference as the rim of the circle, showing the steps and connections of the items with arrow heads.

This method of illustration was adopted to help people understand the process and was conceded as the simplest way to express the relationship between the causes and effects of the identified items. The relationship on the diagram was derive from the strength of the bicycle tire complete which are interrelated, that without the rim which represent the effects, the spokes will not stand while the hub hold the center together.

The first stage set up the central point as a pivot where all the causes were attributed to as in the case of the bicycle hub which holds the spokes into position. The second step was done by dividing the circle into thirteen equal parts from the central point of the circle.

From this stage operational lines denoting the causes of delays were constructed with arrow heads showing the direction of flow of the causes to the outer circumference (rim) of the circle. But before this stage the causes in the diagram have been categorized into three sections as shown within the first inner circle from the main center.

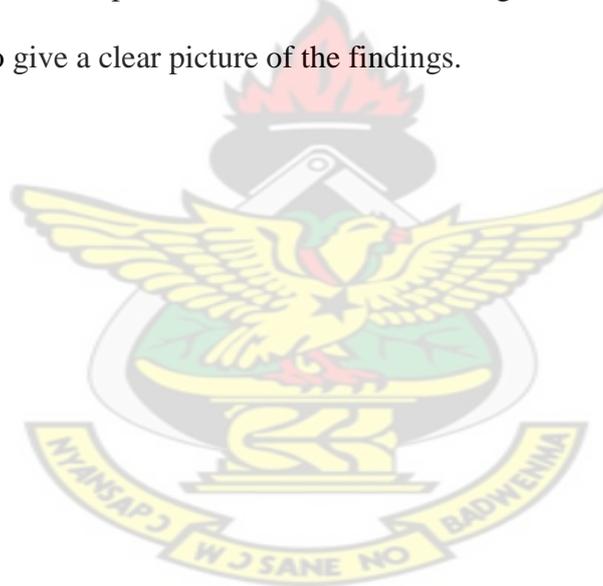
Finally the effects of local counterpart funding delay were outlaid in a double coloured outer circumference with arrow head in both directions. The colouring of the diagram was adopted to make interpretation and understanding of the information received from the respondents to give pictorial representation of the data and it is believed this has simplified the information received to the end user.

### 3.8 CONCLUSION

This chapter describes how the research studies was undertaken in the area of effects of local counterpart funding delay in procurement of donor funded projects, by identifying some causes of local counterpart delay from literature.

The research studies was conducted by questionnaire surveys using purposive sample technique, with the response and analysis of data reviewed by ranking method, using the, Relative Importance Index (RII). This was done to assess the impact of the causes and effects on local counterpart contributions to donor funded projects.

The ranked were compared for better understanding and were presented in Tables and Figures to give a clear picture of the findings.



## **CHAPTER FOUR**

### **DATA PRESENTATION AND ANALYSIS**

#### **4.1 INTRODUCTION**

This chapter discusses the presentation and analysis of data collected through the administration of questionnaires and interviews and provides the original work or contribution of the researcher. The results are interpreted at length. The target groups were professionals in the area of donor funding and local counterpart fund support in project delivery.

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#### **4.2 RESEARCH FINDINGS/ANALYSIS OF RESULTS**

With a total of eighty five (85) questionnaires were sent to the respondents of which sixty two (62) were received representing a response rate of 73.8%. This was considered adequate for the analysis based on the assertion by Moser and Kalton (1971) as used in the case of Aibinu and Jagboro that the result of a survey could be considered as biased and of little value if the return rate was lower than 30–40%. This assertion indicates that the response rate of 73.8% was adequate for the analysis.

The analysis is in two parts: the first part was to identify the factors causing delays in local counterpart funding in donor funded projects, while the second part was to determine the effects of local counterpart funding delays on the execution of donor funded projects delivery, from the point of view of the local partners.

### **4.3 DONOR RESPONSE FROM QUESTIONNAIRES RECEIVED**

It was evident that key staffs of these agencies are well qualified academically with a minimum qualification of bachelor degrees and master degrees in their field of work and had the necessary professional expertise as their counterparts from the other side representing the local counterparts. The respondents had served on donor projects for at least a minimum of five years or more. Additionally the donor respondents had benefited from training programmes which have been organized by their organizations to enhance the capacity of staff.

Donors agreed that, they have been involved in partnering many local community projects in most of the districts across Ghana. From physical infrastructural projects to capacity development trainings, and sometimes by providing communities with some urgent needs like drugs among others.

This support has been achieved over the years with Technical and Financial support through the provision of Loans and Grants. During this support from the donor partners they have required in most cases Local Counterpart (LC) support from the local communities as the beneficiaries of these projects, with the level of contribution ranged from five to ten percent of the total cost of the project. Apart from the above mentioned donors partners had required Money, Tax waver, administrative and supervision works and provision of technical assistance from the local communities. It was realized that, until recently donors partners have accepted the provision of Labour, Material and tools as part of the contributions but have stop taking these things as community contribution. This is because the communities delay in providing these resources.

It was revealed by respondents that, donor partners provide all these supports to improve lives of people in local communities and to provide capacity building and provision of technical assistance to reduce poverty among local communities. The respondents agreed that there are always consultations among partners/stakeholders on donor policies and programmes but on the other hand, local counterparts are not allowed to contribute to their operations even though there are no special requirements for local counterparts.

In the discharge of the duties of the donor partners, local counterparts have not been made to provide full payments of their contribution as part of the agreed cost before projects commence and it is believed that, the contributions of the local counterpart have no effect on the competitiveness of the procurement process.

There also are challenges in the operations of local counterpart funding and they include the following: Approval by local counterparts, contracting methods used and the type and magnitude of the projects were identified by respondents as challenges uncounted in partnering local communities in project execution.

On the causes of Local counterpart fund delay, funds disbursement by local counterpart, acquisition of land procurement procedure and bureaucracy in the procurement process, disagreement with partners the response were rated very high, while the remaining variables were rated low with site preparation and poor information dissemination rated average. The effects of these delays were rated very high with cost overrun and time overrun as the major effects. Total abandonment was rated as average with the remaining variables contributing little. In managing this effects on local counterpart fund delays respondents suggested dialogue and attachment of strict conditions to donor funding.

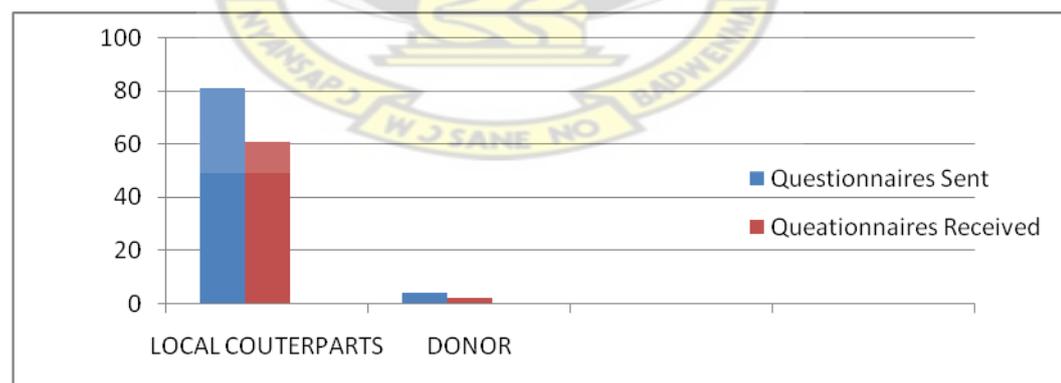
#### 4.4 QUESTIONNAIRES RECEIVED

Table 4.1 and Figure 4.1 below showed that, out of the four (4) questionnaires sent out to some donor agencies on their readiness to offer the necessary assistance for the study two (2) were received representing 3.2 percent of the respondents which have been used as part of the analysis, after a lot of effort has been made to reach most donor agencies. 96.8 percent were obtained from other stakeholders which includes the MDA's and MMDA's. This has been graphically represented in Figure 4.1 below.

**Table 4.2: Showing the total questionnaires received**

Respondent	Quantity received	Percentage (%)
MDA's and MMDA's	60	96.8
Donors	2	3.2
<b>Total</b>	<b>62</b>	<b>100</b>

Source: Field data 2014.



**Figure 4.1: Total number of questionnaires distributed and response**

#### 4.4.1 General Background information on respondents

The respondent's composition for this study is important as it informs the category of organizations that were involved and their involvement in the subject matter. This shows their capacity to manage programmes and funds. The respondents are grouped into professionals in the area of Planning, Auditing and finance officers, and Engineering staff forty-two (42) and eighteen (18) respondents representing 70% and 30% respectively responded the questionnaires. From the study the same composition exists in all local government organization operating in Ghana. This is shown in the Table 4.2.

**Table 4.3: General Background information on respondents**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage (%)</b>
MMDA's	42	70
MDA's	18	30
	<b>60</b>	<b>100</b>

Source: Field Data 2014.

**Table 4.4: General working experience with organization**

<b>work experience of Respondents</b>	<b>Frequency</b>	<b>Percentage (%)</b>
0 – 5 years	24	40
5 – 10 years	18	30
10 years and above	18	30
	<b>60</b>	<b>100</b>

Source: Field Data 2014.

#### 4.4.2 General Background information and Educational Qualifications of respondents

The general background of the respondents indicate that 100% are well informed in the area of the study and have high qualifications which include Bachelor and Master degrees with much experience as indicated in Table 4.4. The composition of the respondents includes planners, engineers, financial officers, Auditors and quantity surveyors. The respondents represent stakeholders in the area of the study which reflects what exists in other parts of the country hence the selection of Central Region of Ghana as the study area.

**Table 4.5: Education qualifications of respondents**

Education qualification	Frequency	Percentage (%)	Cumulative (%)
Master Degree and above	12	20	20
Bachelor's degree	38	63.3	83.3
HND (Higher National Diploma)	10	16.7	100
<b>Total</b>	<b>60</b>	<b>100</b>	

Source: Field Data 2014.

#### 4.4.3 Organizational involvement in Local Counterpart Funding

The survey revealed that all organizations used in this study, have been involved in local counterpart funding in one way or the other. This represents 100% as shown in Table 4.5 below. The local counterpart funding had include cash or other forms of contributions from the local communities The in-kind contribution includes the staff time on the project, equipment of these organizations, used to support project executions of donor funded projects.

**Table 4.6: Organizational involvement in Local Counterpart Funding**

LocalCounterpart Participation	Frequency	Percentage (%)
YES	60	100
NO	0	0
	<b>60</b>	<b>100</b>

Source: Field Data 2014.

#### 4.4.4 Years of working experience

From Table 4.6, 76.6 percent of respondent sampled for the study, have been working over five years which is made up of fourteen (14) and thirteen (32) members representing working experience from 5-10 years and 10 years and above as shown below.

**Table 4.7: Years of working experience**

Working Experience	Frequency	Percentage (%)	Cumulative (%)
0-5 years	14	23.3	
5-10 years	14	23.3	23.3
10 years and above	32	53.4	76.7
	<b>60</b>	<b>100</b>	

Source: Field Data 2014.

#### 4.4.5 Providers of local counterpart funds in a donor funded project

From Table 4.7, provision of local counterpart fund is provided to higher extent by the government and the district assemblies which represent 56.2% and 27.4% respectively through the government's common fund to the assemblies.

**Table 4.8: Providers of local counterpart funds in a donor funded project**

Local counterpart providers	Frequency	Percentage (%)	Cumulative (%)
The Government	41	56.2	56.2
The Sector Ministry	6	8.2	64.4
The District assembly	20	27.4	91.8
The Communities	6	8.2	100
<b>Total</b>	<b>73</b>	<b>100</b>	

Source: Field data 2014

The Sector Ministries and communities had contributed 8.2% each to the fund. From this presentation, the government is the highest contributor to the local counterpart funds. Combining the three government institutions, the percentage stands at 91.8%.

#### 4.4.6 The use of local counterpart funds to support community initiatives

Most community initiatives have been supported with local counterpart funds. From Table 4.8, 90% of community project initiatives have been fully supported with local counterpart funds. This has been so with the reason that, if it is a community initiative, members of the local communities will be effective in managing those facilities and will consider the projects as their own. Even though most communities depend on external support for project execution, most communities as the survey revealed have shown that local funds have been used to benefit the locals.

**Table 4.9: The use of local counterpart funds to support community initiatives**

<b>local counterpart funds support</b>	<b>Frequency</b>	<b>Percentage (%)</b>
YES	54	90
NO	6	10
<b>Total</b>	<b>60</b>	<b>100</b>

Source: Field data 2014.

#### **4.4.7 Managing of local counterpart fund without donor control**

Respondents had high trust for local funds managers for the day to day operations of the local counterpart funds. 70 % of the respondents from the field survey believe the local communities can handle projects with little or no supervision from their donor counterparts. This is because contributions are made by the local communities and this makes them feel they are party to the projects and make sure these funds are not mismanaged.

**Table 4.10: Managing of local counterpart fund without donor control**

<b>Local funding and donor control</b>	<b>Frequency</b>	<b>Percentage (%)</b>
YES	42	70
NO	18	30
<b>Total</b>	<b>60</b>	<b>100</b>

Source: Field data 2014.

#### **4.4.8 Readiness of the donor agencies to support Local Counterpart Funds**

Reacting to the readiness of donors to offer their support, the respondents indicated they have been supporting in local funds but could not strongly support this assertion since the support provision have been 53.4% and 46.6% for occasional support and always support respectively, as shown in table 4.10.

**Table 4.11: Readiness of donor agencies to support Local Counterpart Funds**

<b>Donors readiness to support LCF</b>	<b>Frequency</b>	<b>Percentage (%)</b>	<b>Cumulative (%)</b>
Always	28	46.6	46.6
Occasionally	32	53.4	100
<b>Total</b>	<b>60</b>	<b>100</b>	

Source: Field data 2014.

#### **4.4.9 Local Counterpart Fund and community commitment in project delivery**

The survey revealed that 100 percent of the respondents had depended on the international donor agencies for funds for their programmes and projects as presented in Table 4.3.

#### **Table 4.12: Local Counterpart Fund and community commitment in project delivery**

<b>Community commitment on LCF</b>	<b>Frequency</b>	<b>Percentage (%)</b>
YES	60	100
NO	0	0
<b>Total</b>	<b>60</b>	<b>100</b>

Source: Field data 2014

#### **4.4.10 Source of local counterpart fund support**

A major contributor to the local counterpart fund (LCF) from Table 4.12 happens to be government which represents 57.5% and next is community support with 20% of the contributions. In recent times, these funds have been heavily supported by government alone through the District Assemblies common fund. This fund is to be made on behalf of the communities to the tune of five percent (5 %) of the cost of

the project which had come to replace the ten percent (10 %) which had earlier been supported by communities in other forms.

**Table 4.13: Source of local counterpart fund support**

<b>Source of local counterpart fund</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Loans	6	7.5
Community support	16	20
Technical support	12	15
Government Funding	46	57.5
<b>Total</b>	<b>80</b>	<b>100</b>

Source: Field data 2014

#### **4.4.11 Areas of engagement with the local communities in project delivery**

The level of engagements of local communities in local participation in local fund had acquisition of site for infrastructural donor projects and the identification of the problem which have been shown from Table 4.13 as 52.5% and 47.5% respectively.

**Table 4.14: Areas of engagement with the local communities in project delivery**

<b>Areas of engagement with communities</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Identification of problems (What to construct)	38	47.5
Management of Funds	0	0
Acquisition of site	42	52.5
<b>Total</b>	<b>80</b>	<b>100</b>

Source: Field data 2014

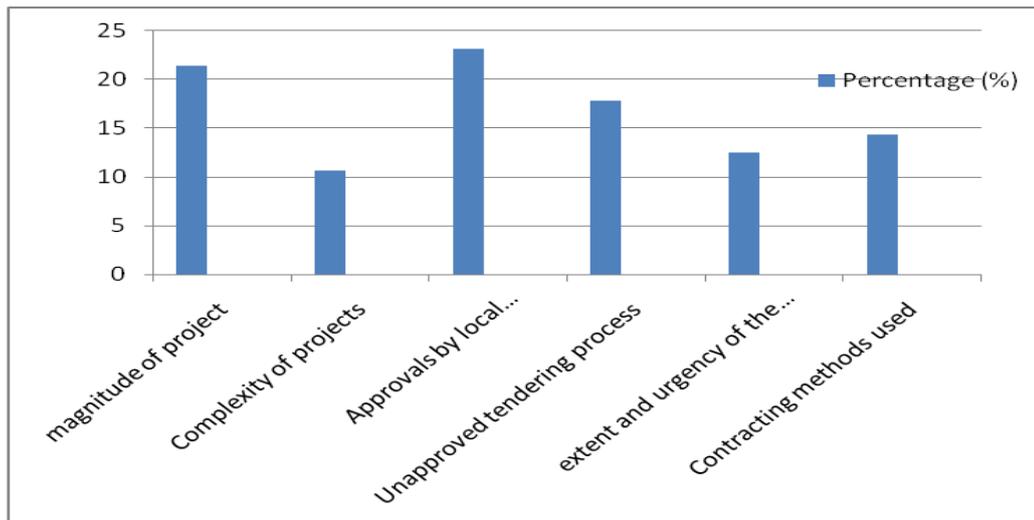
#### 4.4.12 Local counterpart funding challenges in donor funded projects in Ghana

Respondents agreed that challenges exist in local counterpart funding and responded that approvals by local communities to the acceptance of projects was seen as the highest challenge in the operations of local counterpart fund, this is because of land management problems in the country where most lands are owned by families making land issues difficult when it comes to release for community use were community lands are not available. This challenge was represented as shown in Table 4.14 as 23.2%, while the type and magnitude of projects is represented as 21.4%. However, apart from the unapproved tendering process which was also looked at, the remaining challenges were not seen as much of a problem to local counterpart funding. It was revealed Figure 4.2 that complexity of projects and the urgency and extent of project are not issues at all since most of this donor projects goes through good contracting methods and once a contractor is selected, complexity is not an issue since technical competence is a prerequisite to contract awarding.

**Table 4.15: Local counterpart funding challenges in donor funded projects in Ghana**

<b>Challenges in Local Counterpart Funding</b>	<b>Frequency</b>	<b>Percentage (%)</b>
The type and magnitude of project	24	21.4
Complexity of projects	12	10.7
Approvals by local counterparts	26	23.2
Unapproved tendering process	20	17.8
The extent and urgency of the project.	14	12.5
Contracting methods used.	16	14.4
<b>Total</b>	<b>112</b>	<b>100</b>

Source: Field data 2014



**Figure 4.2: Local counterpart funding challenges in donor funded projects in Ghana**

#### 4.4.13 Managing challenges

In the response to management of the challenges in the operations of the local counterpart funding, the respondents shared their opinions on how they have or are dealing with these challenges which include the following:

- They organized stakeholders meetings regularly before, during and after the execution of projects and this involve the local communities, traditional leaders and all who matters to contribute towards the intended project. This is because most traditional leaders own lands in the communities and with their involvement in such collaborative meetings these leaders will readily release lands and other resources for developments projects. This is also because traditional leaders are in a position to assemble the communities to support donor projects.
- There must be Community meetings to explain projects and their benefits to the communities and why they must be in involved and in deciding on citing of projects to facilitate the process of community ownership.

- To ensure availability of funds before project implementation. By this, organizations are to be pro-active in revenue mobilization and also to apply funds strictly to what they were meant for.
- There must be strict project management conditions to spelling out clearly the conditionality's allowing the parties to be aware of what is expected of them.
- Effective monitoring and evaluation of projects from inception to completion, and there must be Transparency and accountability.

#### **4.4.14 Variables influencing local counterpart and donor funded project delivery**

In the assessment of the causes of delay on local counterpart fund and donor funded projects the respondents were asked in their opinion question to indicate what they see as the most identified effects of delay in local counterpart fund using the scale: 1-very low, 2- low, 3-medium, 4- high and 5- as very high. Below are the findings from their responses.

From Table 4.15, the respondents saw item G as the most critical, with a total mean score of 2.9 and therefore the highest ranked. In their opinion, the issue of Delay in site preparation can be seen to be of no serious impact on the schedule of the local counterpart fund, and this they ranked lowest with a total mean score of 1.9.

**Table 4.16: The influence of these variables on local counterpart and donor funded project delivery**

Item	Causes of Local Counterpart Delays	Score for each factor						
		1	2	3	4	5	RII	Ranking
A	Funds disbursement by Local Counterpart	14	8	14	8	16	2.4	4 <sup>TH</sup>
B	Acquisition of Lands	4	10	16	22	8	2.6	2 <sup>ND</sup>
C	Delay in site preparation	10	26	12	12	0	1.9	8 <sup>TH</sup>
D	Presence and adequacy of human resource	6	12	18	20	4	2.4	4 <sup>TH</sup>
E	Delay in material delivery	10	14	22	12	2	2.1	7 <sup>TH</sup>
F	Procurement procedures	8	12	18	20	2	2.3	5 <sup>TH</sup>
G	Bureaucracy in the procurement system	2	4	14	30	10	2.9	1 <sup>ST</sup>
H	Lack of accountably	16	6	6	26	6	2.4	4 <sup>TH</sup>
I	Lack of effective management qualities by Local partners	12	14	12	20	2	2.2	6 <sup>TH</sup>
J	Disregards for conditions under the contract by parties.	16	12	10	12	10	2.2	6 <sup>TH</sup>
K	Poor information dissemination	4	14	6	36	0	2.5	3 <sup>RD</sup>
L	Lack of communication between parties.	4	10	18	28	0	2.5	3 <sup>RD</sup>
M	social-cultural obstacles	16	8	22	4	10	2.1	7 <sup>TH</sup>

Source: Field data 2014.

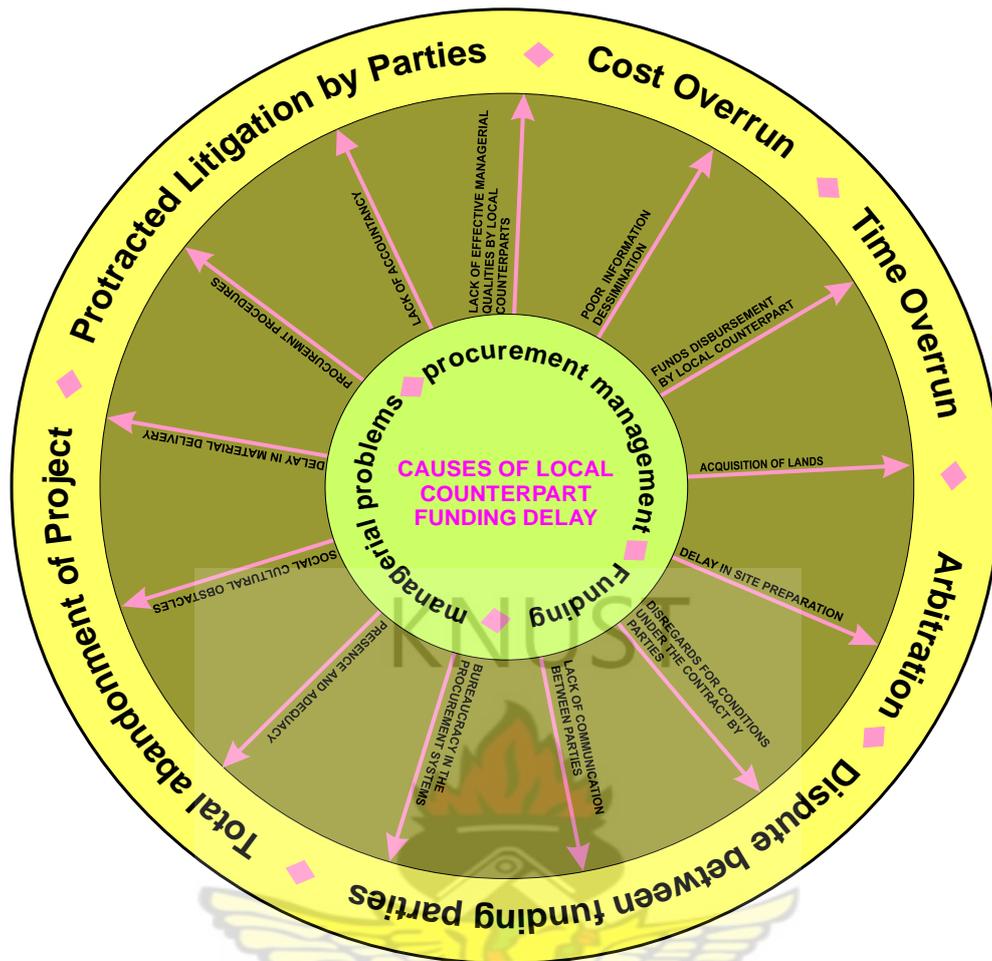
#### 4.4.15 Effect(s) of delay of local Counterpart Funding

In the opinion of the local counterpart representatives which are the respondents, it is revealed from Table 4.16 that time overrun and cost overrun are the highest ranked respectively with RII values of 2.8 and 2.6 in effect of delay of local Funding of donor funded projects was ranked lowest with a mean score of 2.0.

**Table 4.17: Effect(s) of delay of local Counterpart Funding**

Effect(s) of delay of local Counterpart Funding		Score for each factor						
		1	2	3	4	5	RII	Ranking
A	Leading to dispute between funding parties	14	18	8	16	4	2.1	3 <sup>RD</sup>
B	Leads to arbitration	18	10	14	14	4	2.0	4 <sup>TH</sup>
C	Total abandonment	18	12	12	14	4	2.0	4 <sup>TH</sup>
D	Protracted litigation by parties	24	8	16	8	4	2.1	3 <sup>RD</sup>
E	Cost overrun	4	4	22	26	4	2.6	2 <sup>ND</sup>
F	Time overrun	4	8	10	28	10	2.8	1 <sup>ST</sup>

Source: Field data 2014



**Figure 4.3: Causes and Effects of Local Counterpart Funding Delay on Donor Funded Projects**

#### **4.5 CAUSES AND EFFECTS OF LOCAL COUNTERPART FUNDING DELAY ON DONOR FUNDED PROJECTS**

Delays in the delivering of a set aside fund which have come in the forms of labour, materials and cash by local communities in terms of percentage value for community broader areas as courses. As shown in the diagram in Figure 4.3, areas of delay in Local Counterpart Funding include Funding (cash flow), the Procurement Process, and Management Problems. All this can be found in the inner circle of the diagram as in the case of the bicycle hub which holds the center together.

#### **4.5.1. Funding**

Inadequacy and timely contribution of funds was identified as a major problem which affect almost all the aspect of the diagram, this is because without money nothing is done in project delivery. The partners to most projects identified were the donors and the local communities who make payments to the tune of 90-95% of the project cost and 5-10% respectively. But in time past Local counterpart contributions has come in the form of Labour, materials and Cash. This system of support has been operated with several problems, which had affected the process of contribution on the part of the local counterparts. Whereas funds from donor partners have been forth coming and straight forward in most cases, were receiving countries/communities had met their requirements. Donor funding has come in direct payment form through a representative working in the beneficiary country. Secondly by opening an account in the project name, were payments are made to specific suppliers, contractors and consultants for work done. The research revealed that even though the district Assemblies acting on orders from the central government to provide the counterpart funding on behalf of the communities, this has not been forth coming.

#### **4.5.2 The Procurement Process**

The procurement reforms in Ghana have helped scrutinized the public procurement systems by addressing the issues of accountability and transparency in the system, which had used to be a worry over the years. Most of the respondents believed poor procurement management have affected local counterpart funding in project delivery. The bureaucracy and the manual handling of the procurement process were identified as delay causes in local counterpart funding delays. It was revealed that many of these local projects have been carried out without going through the

procurement process to the extent that such projects had been given to contractors who happened to be friends, opinion leaders and family members without taking them through the lay down rules and regulation.

Procurement Management, if well managed will ensure transparency and competition in Local counterpart funding to promote participation which brings belongingness and confidence in the local communities for their own development, but in most cases the process for the award of contract are not followed.

#### **4.5.3 Management Problems**

Management and supervision of local counterpart funding of projects came to light as very difficult with several challenges, as shown in the diagram in Figure 4.3. The under listed causes which could be found on the spokes of the bicycle tire shown was evident in most communities where local counterpart have taken place were management of the process were not well done. It was revealed that in most cases concerns were not sort before project commencements and this have brought about abandonment of such projects to the mercy of the weather. In areas where they succeeded in project delivery responses were that communities were motivated by educating and involving them in the decision making process by seeking their acceptance (needs assessment) before the commencement of these projects.

The non involvement of the District Assemblies in some local counter funding projects has cause some delays in the process, this is because the assembly's have the administrative structures and all the technical personnel in most of this areas to manage and were able to act on behalf of the beneficiary communities in providing the local counterpart funding.

The items on the arrow heads represent the sub-sections of the main causes of the local counterpart funding delays, to which effect are shown in a flow in the outer circle depicting the movement of bicycle tire moving in either direction as listed below:

- Acquisition of Lands,
- Delay in site preparation
- Presence and adequacy of human resource
- Delay in material delivery
- Lack of accountably
- Lack of effective management qualities by Local partners
- Disregards for conditions under the contract by parties
- Poor information dissemination
- Lack of communication between parties and
- Social-cultural obstacles.

#### **4.6 THE EFFECTS OF LOCAL COUNTERPART FUNDING DELAYS ON LOCAL PROJECT DELIVERY**

The effects of the delays factors were found to be interrelated as shown in the diagram above as the wheel tire rotating at either direction with the same effect, hence the arrow of flow for both directions. These effects are as follows:

##### **4.6.1 Disputes between parties**

This has aroused between contractors and project managers were payments to projects have not been forth coming as agreed before commencement of projects. This practice has affected a lot of projects and was identified as one of the most

expensive effects in project management. In situations where disputes have not been managed well, a third party has been introduced to help reach an agreement which is referred to as arbitration. These practices have been voluntary but confidential processes. It was observed that the arbitration process in most cases had been held at several levels of project management to ensure that parties by law are encouraged to honour their obligations to the projects, without living them at the expense of the local communities.

#### **4.6.2 Arbitration**

Where mediators/arbitrators have been brought in to manage situations, this has prolonged durations of projects and has also destroyed strong relationships which may affect future projects, support from donors and other programs which in the long run may affect the needs of local communities.

#### **4.6.3 Abandonments of Projects**

In areas where these situations have not been handled well, this has led to total abandonment of projects by communities. This has occurred mostly in areas where needs assessments were not carried out with the local communities to express what they want and where they want the projects to be sited.

All these effects totally prolong project durations which in effect affect the cost of projects as explained in detail in chapter five sections 5.4.4.

#### **4.6.4 Managing Local Counterpart Fund Effects**

In managing local counterpart funding delays and effects, respondents came out with the following suggestions which include the following; The early mobilization of funds for project implementation, which they believed can be done locally through

the banks whiles arrangements are ongoing to secure funds for specific projects that donor support have been sort. Respondents believed that District Assemblies acting on behalves of the local communities could help in organizing these funds, through other means such as fund raising activities in communities to involve the local people during local gathering like festivals and others. The respondents reiterated that community participation in local counterpart funding have always been on an ad-hoc basis where community demand for basic infrastructural projects has called for their participation. This the local communities have done through the contribution of materials, labour and cash.

Projects that are awarded to friends, opinion leaders and to chiefs have not helped in the management of local counterpart projects were in most of such projects without proper documentation these projects have come to a standstill where donor supports have been diverted to private gains. Respondents raised this consent were volunteers from donor countries who have initiated projects in local communities and have sort for support from their countries of residents for project funding have sometimes landed with local friends they made while they were here. The respondents agreed that this arrangement had not helped situations in most cases, where monies marked for community projects are diverted into other areas which are not planned. Based on all this most respondents believed there should be well documented contractual agreements between parties involved to uphold to the terms and conditions of the contract.

Clearly defined communication lines should be drawn for the parties involved in all local projects delivery, where parties would be well informed on their duties and responsibilities from time to time. Proper planning should be encouraged in

programming and managing of projects and funding by the partners to meet the planned budget.

Respondents agreed that capacity building at the MMDA's will help boost staff knowledge in local counterpart funding. By this act the individuals abilities will increase and will go a long way to affect this Assemblies and communities were they operates by providing quality service and project to the local communities. The result of this may in long term provide human resource development to staff by improving on their knowledge and skills to them perform their functions effectively. Political interference in public project delivery has been a major problem in most cases where governments have played part other than funding. The involvement of government in these projects has reduced a number of projects to some communities and sometimes the projects will not be done at all even though local communities are willing and ready to contribute their part of counterpart funding to support such projects. In most cases this projects are redirected to communities were such projects are not needed, because governments will wants votes from such communities to keep the power. This has been a challenge because government have ordered the District Assemblies to provide the local counterpart funding on behalf of communities, by this provision the tendency that government may control where and what project should be undertaken is very high there by affecting the needs and wants of the local communities.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 INTRODUCTION**

This chapter represents a summary of the finding of the study on the effect of local counterpart funding delays on procurement of donor funded project. It further provides conclusions and the recommendations from data analysis arrived at with suggestions for future study.

#### **5.2 SUMMARY OF FINDINGS**

The research revealed that Local counterpart funding and community development in infrastructural project delivery are very important in the lives of the rural poor. There is an improvement in the quality of life of the poor through improved access to basic infrastructural development and services such as schools and health centers, provision of electricity, water and sanitation, and sometimes major project execution and maintenance of public facilities.

Local counterpart funding and procurement of donor funded projects have also helped in poverty reduction in many communities through community participation by directing the benefits of these profits to the community people. It came out that all the Districts Assemblies and selected Agencies for this work have enjoyed or benefited directly or indirectly from donor support, and local counterpart funds have been used to support these projects.

The study revealed that most community projects depend on external support for project execution. However, community initiatives have been supported with local counterpart funding and this has been very beneficial to most communities. It

became evident that the most critical variables influencing local counterpart funding and donor funded project delivery are: bureaucracy in the procurement system, acquisition of land, poor information dissemination and lack of communication between parties.

### **5.3 CONCLUSIONS**

The study revealed that, most of the assemblies visited were using both locally-generated funds and donor support in their developmental projects. The District Assemblies have done this over the years since their creation under Ghana's decentralization programme in 1988. This has helped build up some experience within the Assemblies in both community development and the public procurement process.

**Labour:** Most communities in Ghana do not work on certain days of the week and therefore do not show up when they are to provide labour as their contributions on such days. Socio cultural ceremonies like funerals and other social gatherings do not allow them (communities) to come to work at certain times and this had affected project durations in many projects where communities are to provide labour as their local counterpart contributions to project delivery and even more seriously lack of the needed skilled labour has also affected projects.

**Materials:** Provision of materials by communities involved was seen as a problem. This is because infrastructural projects come with some standards that must be adhered to for quality work to be achieved.

The research clearly revealed that, delays in local counterpart funding in procurement of donor funded projects has an alarming effect on cost overrun and time overrun on public projects. A cost overrun occurs when the expenses required to complete a project, or one aspect of a project, exceed the amount budgeted.

On the other hand, time overruns occur when projects or tasks within a project are not completed as scheduled by the project plan. This occurs as a result of bureaucracy in the procurement system and acquisition of land.

#### **5.4 RECOMMENDATIONS**

In spite of these experiences, community participation in donor funded projects reveals problems with bureaucracy in the procurement system, fund raising, and capacity building of staff of the Assemblies. It is in this direction that recommendations are provided in this section of the report in the following areas.

##### **5.4.1 Creating of Community Fund**

With the benefits that communities have enjoyed from donor support on local community projects and the recent order by government of Ghana to District Assemblies to fully take up the 5 to 10 percent contributions by local counterparts as local support to donor funding of community projects, the establishment of local community development fund with offices in all 216 Districts Assemblies in Ghana will help reduce the financial challenges of the communities. The fund can be financed with a percentage of the common fund say two percent (2%), paid into this fund to provide the needed local support to fulfill the resource allocation of the District Assemblies and should come with legal backing which will require the appointment of officers for the management of the fund by the General Assembly or the Chief Executives of the Assemblies.

The officers shall manage and distribute the funds on approval by the General Assembly of the various District Assemblies and also to report from time to time the Assembly which constitutes the government representatives assembly members Traditional leaders and other stakeholders.

#### **5.4.2 Community Participation**

The involvement of Traditional Leaders throughout the entire process should be encouraged to ensure community involvement. Traditional leaders owe and have access to community lands and with their involvement the problem of land acquisition and other land issues that were seen as one of major delay factors in donor community funding support if not eliminated, could be reduced. The traditional leaders can also rally the community to support donor projects since most of the indigenes respect the words of their leaders.

#### **5.4.3 Capacity Training**

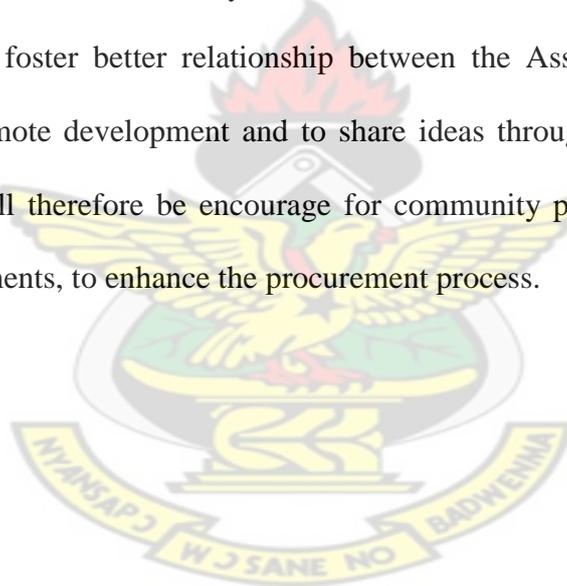
With the new directive where implementation is to be done through the Assemblies, it is important to provide continuous training to encourage technical experts. This should be organized through the Local Government Service to members of the District Assemblies in the area of managing local Participation in donor funded project delivery in Ghana to ensure sustainability.

#### **5.4.4 Cost and Time Overrun**

Cost and time overruns in infrastructural project delivery cannot realistically be eliminated. However, steps such as reviewing local counterpart participation in donor funding should closely be looked at in areas of funds generation, provision of site and removal of the bureaucratic processes in the procurement of works.

#### **5.4.5 Procurement Management**

To avoid delay in the procurement process, funds should be disbursed quickly using the approved contract procedures, This is because strong procurement systems has been a tool in achieving demand in public accountability and transparency in community development due to local contributions as counterpart funding from the communities as support to some donor funded projects. Most members by this have demanded high efficiency and effectiveness in the use of the resources contributed, which had come in time past in cash and kind, material and labour. Community participation in local counterpart funding and the procurement process had raised the relationship between community members and the District Assemblies and to a greater extent foster better relationship between the Assemblies and other cities abroad to promote development and to share ideas through planning and working together. It will therefore be encourage for community participation in matters of local developments, to enhance the procurement process.



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**APPENDICES**

**APPENDIX A**

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY  
COLLEGE OF ARCHITECTURE AND PLANNING  
DEPARTMENT OF BUILDING TECHNOLOGY  
PROCUREMENT MANAGEMENT (MPHIL)

**Survey Questionnaire for Donor Agencies**

**TOPIC: Effect of Local Counterpart Funding Delay(s) on Procurement of Donor Funded Public Projects.**

**AIM:** The aim of this research is to identify the effect on Local Counterpart Funding on the execution of Donor Funded Project.

**NOTE:** *The research is for academic purpose only and your response will be treated with ultimate confidentiality, Please tick (✓) and/or write where appropriate on your point of view(s) on the subject area.*

**Local counterpart:** Shall represent the government, MDA's or MMDA's and communities who may be the direct beneficiaries to donor, funded projects.

**Section A: General Background of Respondent and Organization**

1. Name of organization .....
2. Designation of respondent (Position): .....
3. Years of experience with organization  
0-5 years [    ]                      5-10 years [    ]                      10 years and above [    ]

4. Level of Education.

Master Degree and above [     ]

Bachelor's degree [     ]

HND [     ]

5. How long has your organization been working in this country?

0-5 years [     ]

5-10years [     ]

10 years and above [     ]

**Section B**

6. In which of the following sectors is your organization providing support to the economy of Ghana?

Health [     ]

Education [     ]

Agriculture [     ]

Mines and energy [     ]

Water and sanitation [     ]

Local government [     ]

Any other sector please specify: .....

7. In which ways has this support come from your organization?

Financial support [     ]

Technical support [     ]

Any other specify: .....

8. If financial support, which of these forms does your organization support the country?

Grants [      ]

Loan [      ]

Any other specify: .....

9. Have you ever required local counterpart funding in your project delivery?

Yes [      ]      No [      ]

10. If yes how many public projects with local counterpart funding have you been involved with?

1-5 [      ]      5-10 [      ]      10-15 [      ]      15 and above  
[      ]

11. How often do you require local counterpart funding?

Always [      ]

Occasionally [      ]

12. What has been the level of contribution by the local partner?

0-5% [      ]

5-10% [      ]

Any other specify: .....

13. Which of the following is the nature of the local counterpart funding you require in a donor funded public project?

Please indicate as many as possible by ticking (✓) where appropriate.

Local Contribution(s)	Tick where applicable
Money	
Labour	
Material;	
Tools	
Tax waver	
Administration	
supervisions	
Provision of technical assistance	

Any other (specify): .....

14. Why the organization is interested in working with sectors and communities mentioned in question 6 above?

Interest	Tick where applicable
To improve lives in the communities	
Improve relationships with communities	
Improve transparency and efficiency in local governance.	

To promote citizen participation in community projects	
Provide capacity building	
Provision of technical assistance	
Provide good governance	
Poverty reduction	
Allocation of resource	

15. Does the organization consult with the Ministries Departments and Agencies (MDA's) and Local Government Service on their policies and programmes?

Yes [ ] No [ ]

16. Are local counterparts allowed to contribute to the operations of your donor organization?

Yes [ ] No [ ]

17. Are there special requirement for local counterparts?

Yes [ ] No [ ]

18. If Yes, what are these requirements?

.....

.....

.....

19. Does the organization secure the local counterpart funds before the project commences, if the contribution is in the form of money?

Yes [     ]                      No [     ]

20. Does the contribution by the local counterpart to the project delivery have effect on the competitiveness of the procurement process?

Yes [     ]                      No [     ]

21. What are the challenges encountered in the operations of local counterpart founding in public donor funded projects in Ghana?

Challenges	Tick (✓) where applicable
The type and magnitude of project	
Complexity of projects	
Approvals by local counterparts	
Un approved tendering process	
The extent and urgency of the project.	
Contracting methods used.	

22. How do you manage these challenges?

.....  
 .....  
 .....

23. In your opinion, what are the potential causes of delay in donor funded public project delivery in Ghana?

Please rank these variables in order of significance by ticking the appropriate boxes. Using the following scale: **(1) Very Low (2) Low (3) Medium (4) High (5) Very high**

ITEM	CAUSES OF LOCAL COUNTERPART FUNDING DELAY ON DONOR FUNDED PUBLIC PROJECTS (Variables)	(1)	(2)	(3)	(4)	(5)
		<i>Very Low</i>	<i>Low</i>	<i>Median</i>	<i>High</i>	<i>Very High</i>
A	Funds disbursement by Local Counterpart					
B	Acquisition of Lands					
C	delay in site preparation					
D	Presence and adequacy of human resource					
E	Delay in material delivery					
F	Procurement procedures					
G	Bureaucracy in the procurement system Disagreement with partners					
H	Lack of accountably					
I	Lack of effective management qualities by Local partners					

ITEM	CAUSES OF DELAY ON LOCAL COUNTERPART OF DONOR FUNDED PUBLIC PROJECTS (Variables)	(1)	(2)	(3)	(4)	(5)
J	Disregards for conditions under the contract by parties.					
K	Poor information dissemination					
L	Lack of communication between parties.					
M	social-cultural obstacles					
N	Politics					
O	Any other (state)					

24. In your opinion which of the following will be the effect(s) of local Counterpart Funding delay on Procurement of donor funded public project delivering Ghana?

Item	Effect of counterpart Funding delay.	(1) <i>Very Low</i>	(2) <i>Low</i>	(3) <i>Medium</i>	(4) <i>High</i>	(5) <i>Very High</i>
A	Leading to dispute between funding partied					
B	Lead to arbitration					
C	Total abandonment					
D	Protracted litigation by parties					

E	Cost overrun					
F	Time overrun					
G	Any other (state)					

25. How do you manage the effects of local counterpart funding delay?

.....

.....

.....

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## APPENDIX B

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

COLLEGE OF ARCHITECTURE AND PLANNING

DEPARTMENT OF BUILDING TECHNOLOGY

### Survey Questionnaire for MDA's and MMDA'S

**TOPIC: Effect of Local Counterpart Funding Delay(s) on Procurement of Donor Funded Public Projects.**

**AIM:** The aim of this research is to identify the effect of Local Counterpart Fundingdelay(s) on Procurement of Donor Funded Public Projects.

**NOTE:***The research is for academic purpose only and your response will be treated with ultimate confidentiality, Please tick (√ ) and write where appropriate on your point of view(s) on the subject area.*

**Local counterpart** Shall represent the government, MDA's or MMDA's, who may be the direct beneficiary to donor funded public projects.

#### Section A: General Background of Respondent and Organization

1. Name of organization .....
2. Designation of respondent (Position): .....
3. Years of experience with organization  
0-5 years [    ]                      5-10 years [    ]                      10 years and above [    ]
4. Level of Education.  
Master Degree and above    [    ]  
Bachelor's degree            [    ]  
HND                                    [    ]

5. Has your organization been involved in local counterpart funding in donor public project delivery?

Yes [ ] No [ ]

6. How long has your organization been partnering with donor agencies in the country?

0-5 years [ ] 5-10years [ ] 10 years and above [ ]

**Section B**

7. Who provides your part of the local counterpart funds in a donor funded public project?

The Government [ ]

The Sector Ministry [ ]

The District assembly [ ]

The Communities [ ]

Any other specify: .....

8. Has local counterpart funds been used to support community initiatives?

Yes [ ] No [ ]

9. Can the allocation of local counterpart fund be properly managed without donor control?

Yes [ ] No [ ]

10. How readily have the donor agencies supported Local Counterpart Funds in project delivery in your institution/communities?

Always [ ] Occasionally [ ]

11. Can you say, the donor agencies see Local Counterpart Fund as a way of community commitment in public project delivery?

Yes [ ] No [ ]

12. The local counterpart fund has been supported over the years through.

Loans [ ]

Community supports [ ]

Technical support [ ]

Government funding [ ]

Any other specify: .....

13. What has been the level of engagement of the local communities in the process?

Identification of problems (What to construct) [ ]

Management of Funds [ ]

Acquisition of site [ ]

15 What are the challenges encountered in the operations of local counterpart founding in public donor funded projects in Ghana?

Challenges	Tick where applicable
The type and magnitude of project	
Complexity of projects	
Approvals by local counterparts	
Unapproved tendering process	
The extent and urgency of the project.	
Contracting methods used.	

16 How do you manage these challenges?

.....

.....

.....

17. In your opinion, How thus this variables influence local counterpart and donor funded public project delivery in Ghana? Please rank these variables in order of significance by ticking the appropriate boxes. Using the following scale:

**(1) Very Low (2) Low (3) Medium (4) High (5) Very high**

ITEM	CAUSES OF DELAY ONLOCAL COUNTERPART OF DONOR FUNDED PUBLIC PROJECTS (Variables)	(1)	(2)	(3)	(4)	(5)
		<i>Very Low</i>	<i>Low</i>	<i>Medium</i>	<i>High</i>	<i>Very High</i>
A	funds disbursement by Local Counterpart					
B	Acquisition of Lands					
C	delay in site preparation					
D	Presence and adequacy of human resource					
E	Delay in material delivery					
F	Procurement procedures					
G	Bureaucracy in the procurement system Disagreement with partners					
H	Lack of accountably					

I	Lack of effective management qualities by Local partners					
J	Disregards for conditions under the contract by parties.					
K	Poor information dissemination					
L	Lack of communication between parties.					
M	social-cultural obstacles					

18 In your opinion which of the following will be the effect(s) of delay of local Counterpart Funding on Procurement of donor funded public project delivering Ghana?

Item	Effect of counterpart Funding delay.	(1) <i>Very Low</i>	(2) <i>Low</i>	(3) <i>Medium</i>	(4) <i>High</i>	(5) <i>Very High</i>
A	Leading to dispute between funding parties					
B	Lead to arbitration					
C	Total abandonment					
D	Protracted litigation by parties					
E	Cost overrun					
F	Time overrun					

19 How do you manage the effects of local counterpart funding delay?

.....

.....

.....

THANK YOU.

KNUST

