

**N.R.C.D. 140**  
**REGIONAL DEVELOPMENT CORPORATION ACT, 1973**

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**AN ACT to provide for the establishment in each Region of a development corporation for agricultural, commercial and industrial development of the Region and for related matters.**

*Establishment*

**1. Establishment of Regional Development Corporation**

(1) There is hereby established in each Region a body corporate to be known as the Regional Development Corporation.

(2) A Corporation has perpetual succession and a common seal and may sue and be sued in its corporate name.

(3) A Corporation may, for the performance of its functions under this Act, acquire and hold movable or immovable property, dispose of that property and enter into a contract or any other transaction.

(4) Where there is a hindrance to the acquisition by a Corporation of property, the property may be acquired for the Corporation under the State Property and Contracts Act, 1960 (C.A. 6) or under the State Lands Act, 1962 (Act 125) and each Act shall apply in relation to the acquisition with the modifications that are necessary to provide for the vesting of the property acquired in the Corporation and for the cost of the acquisition to be defrayed by the Corporation.<sup>2(2)</sup>

**2. Objectives**

(1) A Corporation may carry on a business of an agricultural, commercial or industrial nature.

(2) Subject to this Act, a Corporation may do any other things that are incidental or conducive to the attainment of its objectives.

**3. Conduct of affairs**

A Corporation shall conduct its affairs on sound commercial lines.

**4. Power to enter into partnership with others**

A Corporation may, for the attainment of its objects, enter into an arrangement with a company, partnership, co-operative, statutory corporation or any other person for the joint undertaking of a business or project falling within the scope of its objectives and functions.

*The Board*

**5. The Board**

(1) The governing body of a Corporation is a Board.

(2) The Board shall be made up of

- (a) the Regional Minister of the Region as chairman,
- (b) the person appointed managing director under section 9,
- (c) the secretary of the regional planning committee,
- (d) a chief from the Region nominated by the Regional House of Chiefs, and

- (e) five other members from the Region recommended by the Regional Minister.3(3)
- (3) The members of the Board of a Corporation shall be appointed by the President.

## **6. Qualifications and tenure of office of members**

(1) The five other members of the Board of a Corporation shall be appointed from among persons who are qualified in or have had experience of and have shown capacity in, matters relating to all or any of the following subjects:

- (a) agriculture,
- (b) industry,
- (c) commerce,
- (d) trade,
- (e) finance,
- (f) science,
- (g) technology,
- (h) accountancy,
- (i) law,
- (j) administration, and any other field of professional studies.

(2) For the purposes of subsection (1), there shall be on the Board at least one member who has had recognised and substantial experience in matters of business administration with particular emphasis on finance, one member who has had a similar experience in commercial matters, one member who has had experience in industry and one member who has had experience in any field of professional studies and is qualified to practise in Ghana.

(3) A person is not qualified to be a member of the Board who has been sentenced to death or to a term of imprisonment exceeding twelve months without option of a fine or has been convicted of an offence involving dishonesty or moral turpitude and has in each case not been granted a free pardon.

(4) A person is not qualified to be a member of the Board if having been declared as an insolvent or bankrupt under a law in force in Ghana or in any other country is an un-discharged insolvent or bankrupt.

(5) The members of the Board other than the chairman and the managing director shall hold office for two years.

(6) A member may resign from office by notice in writing addressed to the President and without prejudice to subsection (5) a member may be removed from office by the President.

(7) Where the office of the member other than the managing director becomes vacant before the expiration of the term of office or by death, the President shall appoint another person to hold for the unexpired portion of that term of office.

(8) Subject to this Act, where it appears to the President that a member is unable by reason of absence from Ghana or illness or any other sufficient cause from performing the functions of office the President shall appoint another person to hold office until that member is able to again perform those functions.

(9) A member is eligible for appointment.

## **7. Remuneration for members**

A member except a member appointed under section 5 (2) (a), (b) or (c) as well as a person co-opted by the Board under section 8 (6) may be paid the remuneration determined by the Board, with the approval of the Minister.

## **8. Meetings of the Board**

(1) The Board shall meet at least once in every month for the dispatch of its business at the times and at the places determined by the Board.

(2) A special meeting of the Board shall be called on a written request signed by the chairman or by a majority of the members addressed to the secretary.

(3) The chairman shall preside at the meetings of the Board and in the absence of the chairman a member appointed by the members present from among themselves shall preside.

(4) Questions proposed at a meeting of the Board shall be determined by a simple majority of the members present and voting, and in the event of an equality of votes the person presiding shall have a casting vote.

(5) The quorum at a meeting of the Board is five.

(6) The Board may co-opt a person to act as an adviser at a meeting but a person so co-opted is not entitled to vote at the meeting on a matter for decision by the Board.

(7) The validity of the proceedings of the Board shall not be affected by a vacancy among its members or by a defect in the appointment of a member.

(8) A member who has an interest in a company or in an undertaking with which a Corporation proposes to enter into a contract or who has an interest in a contract which a Corporation proposes to enter into,

(a) shall disclose in writing to the Board the nature of that interest, and

(b) is disqualified, unless the Board otherwise directs, from participating in the deliberations of the Board on the contract, and

(c) is disqualified from voting in a decision of the Board on the contract.

(9) A member who contravenes a provision of subsection (8) shall cease to be a member of the Board.

(10) The Board shall record and keep minutes of the proceedings of its meetings.

## **9. Management and staff of Regional Development Corporation general policy**

(1) The Board shall, subject to this Act, have general control of the management of the affairs of the Corporation on matters of policy.

(2) A Corporation shall have a managing director.

(3) The managing director of a Corporation shall be appointed by the President in accordance with article 195 of the Constitution, and shall hold office on the terms and conditions specified in the instrument of appointment.

(4) The qualifications for appointment as managing director are the same as are prescribed by section 6 (1) with respect to members, with the additional qualification of a good general education as well as an

outstanding knowledge of the principles, practices and procedure of public and business administration and office management.

(5) *Repealed.*4(4)

(6) Where a managing director is incapacitated from the performance of functions under this Act, the Board may authorise a senior employee of the Corporation to perform those functions for the duration of the incapacity.

(7) Subject to this Act, a managing director is the chief executive of the Corporation and is, subject to the general control of the Board on matters of policy, charged with the direction of the day-to-day business of the Corporation and of its administration and the control of the employees of the Corporation.

(8) The managing director may, subject to this Act, delegate to a senior employee of the Corporation a function under this Act and may impose conditions with respect to the exercise of the delegated function.

(9) Subsection (8) shall not be construed so as to absolve the managing director from ultimate responsibility for an act done by a person in pursuance of a delegation under subsection (8).

## **10. Execution of contracts**

(1) The application of the seal of a Corporation shall be authenticated by the signature of the managing director or of any other member of the Board authorised by the Board to authenticate the application of the seal, and the signature of the secretary or any other officer of the Corporation authorised by the Board to act in the place of the secretary for that purpose.

(2) A Corporation may, by instrument in writing under its common seal, empower a person generally or in respect of a specified matter as its attorney to execute deeds on its behalf in a place not situated in the Republic, and a deed signed by that attorney on behalf of the Corporation and under the seal of that attorney is binding on the Corporation and shall have the same effect as if it were under the common seal of the Corporation.

(3) An instrument or a contract which, if executed or entered into by a person, other than a body corporate, would not require to be under seal, may be executed or entered into on behalf of a Corporation by the managing director or a member if that member has previously been authorised by resolution of the Board to execute or enter into that particular instrument or contract.

(4) A Corporation may by writing under its common seal appoint a person outside the Republic as an agent to execute or enter into an instrument or a contract and the instrument or contract if executed or entered into on behalf of the Corporation shall have effect as if it had been duly executed or entered into as prescribed for the purposes of subsection (3).

(5) A document purporting to be an instrument executed or made by or on behalf of a Corporation and to be sealed with the common seal of that Corporation authenticated in the manner provided by subsection (1), or signed by and under the seal of a person appointed as attorney under subsection (2), or signed by the managing director or by a member or a person authorised in accordance with subsection (3) to act for that purpose, is for the purposes of this Act, duly executed or sealed until the contrary is shown.

(6) This section shall have effect subject to section 9 of this Act and section 12 of the Contracts Act, 1960 (Act 25).

## **11. Staff of Regional Development Corporations**

Subject to article 195 of the Constitution,

- (a) a Corporation may engage the employees necessary for the proper and efficient conduct of the business and functions of the Corporation;
- (b) an employee of a Corporation, other than the managing director, shall be appointed by the Board;
- (c) a Corporation may engage the services of consultants as determined by the Board on the recommendations of the managing director;
- (d) the employees, consultants and advisers of a Corporation shall be engaged on the terms and conditions determined by the Board on the recommendations of the managing director;
- (e) public officers may be transferred or seconded to a Corporation or may otherwise give assistance to a Corporation.

## **12. Secretaries of Regional Development Corporations**

(1) A Corporation shall have an officer to be designated as the secretary of the Corporation.

(2) A secretary shall act as secretary to the Board and shall, subject to the directions of the Board, arrange the business for and be responsible for the recording and keeping of minutes of the proceedings of the Board.

(3) A secretary shall perform any other functions directed in writing by the Board or as the managing director may by writing, delegate to the secretary who shall be assisted by the staff of the Corporation directed by the Board on the recommendations of the managing director.

## **13. Internal auditor**

(1) A Corporation shall have an internal auditor who is responsible, subject to this Act, to the managing director for the performance of functions.

(2) The internal auditor of a Corporation shall, at intervals of three months, prepare a report on the internal audit work carried out during the period of three months immediately preceding the preparation of the report and submit the report to the managing director of the Corporation.

(3) Without prejudice to the general effect of subsection (2), the internal auditor shall make in each report the observations that appear necessary as to the conduct of the financial affairs of the Corporation during the period to which the report relates.

(4) An internal auditor shall send a copy of each report prepared under this section to the Minister responsible for Finance, the Auditor-General, and the chairman of the Board.

(5) This section shall be read and construed as one with the Internal Audit Agency Act, 2003 (Act 658) and where there is a conflict that Act shall prevail.

## **14. Rules and Regulations**

The Board may make Rules and Regulations for the purpose of carrying this Act into effect and for regulating a matter falling within the scope of the functions of the Corporation.

### *Financial Provisions*

## **15. Capital and funds of the Corporation**

The funds of a Corporation include loans granted to the Corporation as initial capital by the Government, moneys borrowed by the Corporation from banking and any other financial institutions in the Republic, and moneys derived from the proceeds of shares floated in respect of a business promoted in pursuance of this Act.

## **16. Borrowing powers**

(1) Subject to article 181 of the Constitution, the Corporation,

- (a) may obtain loans and any other credit facilities on the guarantee of the Government from the National Investment Bank, the Agricultural Credit Bank, and any other banks approved by the Minister;
- (b) may, with the prior approval of the Minister, borrow money from any other source;
- (c) for the purposes of the technical arrangements in connection with the raising of a loan under paragraph (b), a Corporation shall, if the National Investment Bank agrees, use the services of that Bank;
- (d) may borrow temporarily by way of overdraft or otherwise, the sums of money that it may require for meeting its current obligations or performing its functions.

(2) The Minister may prescribe the maximum sums of money which the Corporation may borrow under paragraph (a) or (b) of subsection (1).

## **17. Books of account**

A Corporation shall keep proper books of account and proper records in relation to the accounts in the form approved by the Auditor-General.

## **18. Financial year**

The financial year of a Corporation shall end on the 30th day of June in each year.<sup>5(5)</sup>

## **19. Audit**

(1) The books and accounts of a Corporation shall each year be audited in accordance with article 187 of the Constitution by the Auditor-General.

(2) A Corporation shall pay in respect of the audit the fee agreed on by the Auditor-General and the Board, or in the case of failure to agree, the fee prescribed by the Minister.

(3) The Board shall as soon as possible on receiving the report of the Auditor-General, forward a copy to the Minister.

(4) The Minister shall as soon as practicable on its receipt lay a copy of the Auditor-General's report before Parliament.

## **20. Annual report and investment programme**

(1) The Board shall, not later than the 31st day of July immediately following the end of a financial year, forward to the Minister a report of its activities during that financial year together with the audited statement of accounts in respect of that year.

(2) The Board shall, not later than the 31st day of May each year, submit to the Minister a

comprehensive programme of its investment policy for the forthcoming financial year.

(3) The Minister shall lay copies of the report, the audited statement and the investment policy as soon as practicable before Parliament.

## **21. Publication of audit report**

(1) The audited report of a Corporation shall be published every year in the *Gazette*.

(2) The report shall be open to inspection by a member of the public at the head office of the Corporation.

## **22. Interpretation**

In this Act, unless the context otherwise requires,

“**Board**” means the governing body of a Corporation established by virtue of section 1;

“**Corporation**” means a Regional Development Corporation;

“**managing director**” means the managing director of a Corporation appointed under section 9;

“**member**” means a member of the Board established under section 5;

“**Minister**” means the Minister responsible for Finance;

“**secretary**” means the secretary to a Corporation.

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## Endnotes

### 1 (Popup - Footnote)

1. The Act was issued as the Regional Development Corporations Decree, 1973 ([N.R.C.D. 140](#)) made on the 29th day of December, 1972 and notified in the *Gazette* on 5th January, 1973.

### 2 (Popup - Footnote)

2. By the Greater Accra Regional Development Corporation (Vesting of Stone Quarries) Decree, 1973 ([N.R.C.D. 218](#)), the assets, rights, obligations and liabilities in respect of the two stone quarries at Weija and Shai which were held and managed by the special Project Division were vested in the Greater Accra Regional Development Corporation. This did not include the transfer of an obligation or a liability assumed or entered into by a person before the 30th day of January, 1970.

### 3 (Popup - Footnote)

3. Amended by the Regional Development Corporation (Amendment) Decree, 1974 (N.R.C.D. 249).

### 4 (Popup - Footnote)

4. By the Regional Development Corporation (Amendment) Decree, 1975 (N.R.C.D. 331), The section reads, "Where the office of a Managing Director becomes vacant before the expiration of his term of office the National Redemption Council shall appoint another person in his place to hold office for the unexpired portion of his term of office."

### 5 (Popup - Footnote)

5. A proviso to the section has been omitted as spent. It states:

"Provided that for the purposes of this section the period commencing with the commencement of this Decree and ending on the 30th day of June, 1973 shall be deemed to be a financial year".