Africa in the 21st Century – Rapid Economic and Urban Growth

Africa is experiencing an economic boom period, with many of the fastest growing world economies of the last decade in the continent. Ghana is one of the fastest growing economies within Africa, with multiple years of growth in GDP around 7 percent, driven by exports of gold and cocoa and, with oil production that commenced in 2010, further growth is expected.

Simultaneously, the continent is transforming due to the effects of rapid urbanization. Africa is the fastest urbanizing continent with urban growth rate of 3.5 percent per year, with that rate expected to hold until 2050. Ghana’s rate of urbanization is currently measured at 3.4 percent and the country has reached the milestone of 51 percent of its 24 million people living in cities.

Urbanization and economic growth spur opportunity but also present challenges such as growth of slums to accommodate the influx of people seeking better jobs and lives in the cities. In turn this can lead to poor quality services and inequalities exacerbated by crime and conflict. Over the last few decades we have also seen an increase in urban disasters. Poor, cramped living conditions, such as those we saw in Port-au-Prince, Haiti, in 2010, can lead to even deadlier and more destructive disasters.

The world is changing how it views Africa, from seeing the continent through the lens of vulnerability to seeing it through the lens of opportunity. While the increase in foreign direct investment is a catalyst for profound, positive change, at the same time it is essential to continue focusing on meeting the

3 Ghana Urbanization, Index Mundi, http://www.indexmundi.com/ghan/urbanization.html
Ghana’s population is about 24 million, while 5.5 million people, half the urban population, live in poor informal settlements (slums).

Ghana’s economy is growing faster than the average African country; its Gross Domestic Product was more than $83 billion in 2012.

Ghana is similar in size to Great Britain.

The capital is Accra; other cities include Sekondi-Takoradi, Kumasi and Tamale.

English is the official language but more than 70 languages are spoken nationwide.

Formerly known as the Gold Coast, Ghana was governed by the British until 1957. Now, Ghana’s government is a constitutional democracy.

Ghana is Africa’s second largest gold producer and the second largest producer of cocoa.

About 71% of Ghanaians are Christian, 18% are Muslim and most others adhere to traditional beliefs.

Rapid Urbanization Needs Urgent Attention

Urbanization in the West took place over centuries, growing in intensity with the industrial revolution. Cities developed alongside evolving political and economic structures and technology with little precedent. African urbanization, however, is taking place at a different juncture in history and at a much more rapid pace. Today, we have international precedents, best practices and technology that allow us to skip decades of development, such as bypassing landlines to move directly to mobile technology. But we need to use all of this knowledge and technology to be able to match the rapid demographic shifts occurring in Africa today.

African countries such as Ghana have a tremendous window of opportunity to create the social and physical infrastructure that ensures their growing urban populations benefit from the economic growth the continent is undergoing. It is essential that this is approached with a long-term view, to create sustainable communities and cities. But across the continent, the window of opportunity has to be taken advantage of now, to avoid the hazards of sprawling, unmanaged slum-cities.

The Most Pressing Urban Challenges

Some of the most pressing challenges facing African cities include:

- **Equitable public services**: in order to provide effective services to all citizens, a city must know who lives where; how many people live in each home; what their needs are; how are these needs being met currently and to what extent; and most of all, what is missing.

- **Paying for public services**: to remedy missing or underdeveloped services, cities must generate revenue by putting into place a fair system of taxation, without which service delivery becomes impossible.

- **Responsive governance**: To ensure that municipalities provide services that are both effective and fair, they must put into place a method for citizen feedback that is useful and practical.
The following case study illustrates some of the steps being taken in the Ghanaian city of Sekondi-Takoradi to address these issues and to help this rapidly growing city take full advantage of economic growth to create a sustainable set of services for its population.

**Sekondi-Takoradi**

Sekondi-Takoradi is comprised of the twin cities of Sekondi and Takoradi and is the capital of the Western Region of Ghana. It is the region’s largest city, as well as the fourth largest in Ghana, and is an industrial and commercial center, with a population of approximately 560,000 people.\(^5\) Demographically, nearly 45 percent of the population is below the age of 14, and 52 percent are between 15 and 64, while 69 percent of the area’s population is urban. Sekondi-Takoradi is comparable in size to Atlanta, Georgia, USA.

The chief industries in Sekondi-Takoradi are timber, plywood, shipbuilding and railroad repair. Recently, sweet crude oil and crude oil\(^6\) have joined these and the city will likely continue to grow rapidly. Sekondi-Takoradi and the nearby region have many beaches with potential for tourism.

Global Communities began working in partnership with the Sekondi-Takoradi Municipal Authority (STMA) and local organizations in January 2008 on slum upgrading projects. However, in October 2011, through the IncluCity project, Global Communities commenced work with the city to begin addressing holistic needs such as service provision, revenue generation and citizen-municipal relationships.

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\(^5\) Ghana 2010 Population and Housing Census

Findings from the Sekondi-Takoradi Citizens’ Report Card indicate that the top three citizen priorities are Basic Education, Water, and Public Health Services.

Citizens’ Report Card: Scoring City Services

Historically, consumers of public services in Africa have not been adequately engaged by service providers in the planning and management of services. To ensure the most judicious use of revenue, and to improve on the city’s ability to deliver better services to more citizens, the STMA released a Citizens’ Report Card in January 2013, a document designed to provide government and businesses with feedback on municipal service delivery. The report card, which includes findings from extensive community surveys, is intended to help cities modernize by delivering more efficient services based on citizen need, using their direct input as a guide.

Global Communities, by providing financial support and technical assistance, played an active role in helping the local and national authorities develop the questions included in the report card in the first phase, and in subsequent phases it continues to help them devise solutions to address the problems identified in the report card.

How the Process Worked

The STMA started the process by forming a committee tasked with achieving citizen buy-in prior to the collection of data. This entailed meeting with residents to explain the purpose of the report card, hear their concerns and manage their expectations. Planners were cautious about not promising too much, helping residents understand that it would not be possible to grant all their wishes, and that the services would take time to deliver. They also tried to make clear that many considerations would impact their demands and that the communities needed to be patient and realistic about their requests.

However, before STMA could even get to this point, they needed to convey to residents exactly how the data collection would benefit them. Some residents expected to be compensated for their responses, so they needed to be convinced that they would benefit from participating, although neither monetarily nor immediately. Officials found that the more effectively they explained the process, the more helpful were the responses.

They made a point to note trends – frequently cited complaints and suggestions for remedying problems – as well as other problems that were not necessarily cited as frequently but, upon further assessment, were more pressing, such as the absence of latrines. Balancing that feedback helped officials identify and prioritize the areas of most need. They also made a point of explaining that while most households, except the poorest, would now be required to pay taxes, the benefits for individuals, their families and the community would be significant.

With the Citizens’ Report Card and Community Action
Plan documents prepared, the Assembly with the communities are currently implementing projects in several communities to address their felt needs such as a three-unit classroom block in Nkroful; installation of solar panels at the community clinic in Ahanta Abassa; and three culverts on the Mampong road at Mampong. These projects are being implemented with the internally generated funds of the STMA.”

Isaac Aido, Assistant Planning Officer, STMA
Findings from the Surveys: Responses to a Reality Check

A sample of 834 households was interviewed for the Citizens’ Report Card.

- The areas of greatest concern, regardless of socioeconomic status, were water, basic education, health services and electricity. The findings showed that only 60% of citizens are connected to good, potable water. Initially, planners assumed that because residents were in urban areas, the percentage would have been much higher, so this knowledge was essential for urban planning purposes.

- Another revelation was that simply by collecting demographic information of respondents, STMA learned that the educational background of most residents was considerably lower than expected. Most respondents had only informal education, so the city organized evening classes and is planning to expand its educational outreach even further. Officials also learned that many residents prefer to get information on what is happening in the community through the radio, so the city is increasing the frequency of community-based announcements on local radio stations.

- They learned that there is a dearth of public latrines, and that the ones that do exist are not properly cleaned, maintained or conveniently located. This is a top priority since most people don’t have them in their homes, so the city is hard at work deciding where and how it should construct buildings for public latrines, and how to prevent problems with flooding – for instance, by building and maintaining high-capacity drains.

The planning committee is addressing the feedback they received from the first report card. In 2015, before the conclusion of the IncluCity program, a second survey will determine whether problems have been addressed and to what extent, and what priorities should be then addressed to best help residents advocate for their needs. The report card therefore functions, as a benchmarking and accountability tool.

Learn more about the Citizens’ Report Card here:
http://www.globalcommunities.org/citizensreportcard

Features of a Citizens’ Report Card

Diagnostic: CRCs can provide citizens and governments with qualitative and quantitative information about standards and gaps in service delivery. It also measures the level of public awareness about citizens’ rights and responsibilities and provides a comparative picture about the quality of services across demographic groups to identify segments where service provision is weak.

Accountability: The CRC reveals areas where the institutions responsible for service provision have not achieved service standards. Findings can be used to identify and demand specific improvements in services.

Benchmarking: Conducted periodically, CRCs can track changes in service quality over time. A comparison of findings across CRCs will reveal improvements or deteriorations in service delivery. CRCs can be introduced before and after a new policy to measure its impact.

Reveal hidden costs: Citizen feedback can expose the extra costs beyond mandated fees of using public services. The CRC may reveal information regarding the proportion of the population who pay bribes of varying sizes and also estimate the amount of additional resources spent to cope with poor service provision.

Participatory: As CRCs provide the platform for citizens to influence the delivery of services, they can serve as participatory tool. This helps citizens be part of the service decisions that affect their lives. The process can also enable citizens to have a sense of ownership in the output or outcome in the forms of services delivered to them.
Street Naming: The Road from Galaxy Street to Termite Alley

Sekondi-Takoradi has embarked on an extensive street naming effort to help map the city accurately and easily. In most Western cities, you can usually look no further than the closest intersection to know the name of the street you are on and the buildings usually have numbers. But because that is not the case in Sekondi-Takoradi, officials and citizens are implementing on a project to name some 3,440 streets and alleys, and number their buildings.

Global Communities provided technical assistance on how to gather data on the unnamed streets and how to coordinate their eventual naming. The streets to be named were identified and about 42,000 properties and parcels of land in the city were numbered. The leadership of the President of the Republic of Ghana has been important in this process; he has made this a priority and tasked over 215 districts with completing the process within 18 months. Global Communities trained 160 community volunteers and supervisors who collected data on the streets and buildings. Street naming is one of the primary ways the city is aiming to generate revenue and bring its residents the services they need. Street naming is also helping bring the city in line with current global standards of modernization.

Technology – Leap-frogging Decades of Practice

Previous street naming efforts had not succeeded because of a lack of funding, so Global Communities provided financial support for information technology training to ensure the process was efficient, full-scale and high-tech. In the past, any kind of mapping project would have required using traditional analogue cartographic and measuring tools and, indeed, STMA had literally used rulers in their previous mapping efforts. But for this effort, managers were trained on the Google MapMaker program, which entailed taking an aerial photo of the city and then, using the images from that, digitizing a comprehensive map of the area where all households and streets were represented, whether an actual structure or just a parcel of land. Digital technology helped the team know:

- Exactly which properties they were surveying;
- What needed to be named;
- How to label the roads and pieces of land; and
- How each should be numbered.

The streets and areas were then coded to allow for easy identification and tracking as the implementation phase continued.
But the process entailed more than identifying the nameless streets. Planners also had to know existing street names so to avoid double-naming, and they had to know for what purpose the properties were being used. For instance, if they were businesses, they were to be taxed at different rates than residential properties, and if they were vacant, that was essential information.

What’s in a Name?

Deciding what to name the streets was an exercise in creativity, ingenuity and patience. The planning members brainstormed categories, then subcategories, and developed acceptable and unacceptable criteria. For example, some streets were named after local chiefs and assembly members, while others were identified by names of animals, flowers or oils. The data collection also required that planners know the owner of the property and its purpose, to ensure that every structure was not only named but identified appropriately. Now, every structure has been identified and officially named. Currently, street names are provisionally visible at least by a stenciled ink sign, with the street signage plates and posts yet to be installed which will create more visibility. Residents of Sekondi-Takoradi now live, for example, on Termite Alley, Galaxy Street, Evergreen Crescent or Permafrost Street, while their neighbors live on Freedom Road, Blizzard Close, Jerk Close and Aristotle Close.

“Street naming in the whole Sekondi-Takoradi… incredible! I have always been waiting for this day. Now I can boast of my own special house number—2 Pobee Biney Road. I used to have difficulty in directing people to my home and it has been of a major concern to me.”

Adjoa Amanfo, 53 year old property owner in Takoradi
Advantages

There are many advantages to street naming for residents of Sekondi-Takoradi. For example:

• In cases of emergency, being able to tell emergency services an actual address instead of “near the big gray building on the corner” will save lives and reduce hardship on families as well as property.

• Addresses are an asset to people living in more remote areas, since these people spend more time and money getting to shopping areas. Now that they’ll have an address, they can start shopping online, thus easing the process of getting what they want and doing it less expensively.

• Beyond the basic benefit for locals of having named streets, the process will help attract tourists who may have been apprehensive about wandering around a new area without even street names to help them navigate it well, helping to kick-start the underdeveloped tourism industry. Street names will help ensure that people are comfortable getting around the area, and that they will want to return.

• Tourist guides and local maps that will be developed to help maintain the system and serve as additional sources of revenue. The final maps will also be shared with Google Maps.

Resistance

The street naming initiative saw some initial resistance from those who feared the process would lead to higher taxes. But taxation is necessary to provide essential services, and understanding the size and types of households and businesses enables the STMA to put in place fair and equitable taxation policies. Those who earn below a certain threshold are tax-exempt, thus protecting the most vulnerable from tax burdens.

Through extensive stakeholder engagement in the media and at community forums, residents began to understand that the advantages outweigh the disadvantages. Residents now have a better way to communicate and interact with friends and neighbors, relatives, business associates, city officials and all else because of this groundbreaking effort. After many years of planning, wishing and hoping, street naming is finally coming to fruition in large part because prior funding challenges have been resolved by a clearly defined budget for the project with ample oversight from STMA.
Property Revaluation – Raising Revenue and Protecting the Poorest

Another significant source of revenue generation in cities throughout Ghana stems from the revaluation of thousands of properties. The vast population explosion in recent years, along with increased oil production around the country, helped spur expansions in housing and business in Sekondi-Takoradi, Accra and other cities. But a number of local assemblies had not assessed the value of properties since 1990, so the properties were hugely undervalued.

With financial support and technical training from Global Communities, the STMA through the Land Valuation Division of the Lands Commission were able to revalue all properties in 2013. As a result, overall property rates will increase by 30 percent, thus generating much needed revenue for the cities to provide services. The revaluation entailed production of updated maps, apportioning the map into valuation divisions, collection of data and assessing the properties. The maps reduced the duration of the assignment by more than half the normal time used for such an exercise, thus saving time and resources. Training was conducted for the staff of the Land Valuation Division on how to conduct assessments properly and other essential activities. They also conducted visits to five cities to ensure that they all collect taxes using a uniform system with uniform rates. The rates are based on a combination of the value of the building and the rate at which it is taxed.

In addition to the new tax rates, the cities are also transitioning from a municipality-funded trash collection system to one that employs a “polluter pays” mechanism through which residents will pay for their own trash collection. The new system will generate considerable income since trash collection is expensive, and it will improve the efficiency of waste management since waste management companies will be overseeing the collection of trash instead of local governments, who now just determine fees and don’t handle any collection services. Large polluters will pay more than those who pollute less.

The new system will also result in the added benefit of freeing up scarce city resources to be used on other important expenditures such as repairing roads and building schools. By having designated funds set aside, the cities will be better able to fund steady projects and have funds available for emergencies, as a “rainy day fund,” which most of the areas have never had.

Protecting and Assisting the Poorest Residents

As part of the urban management strategy Global Communities and STMA worked together to ensure that a fair system of taxation was put into place and that the poorest citizens of Sekondi-Takoradi benefit from the process.

In order to ensure that revenue from property taxes helps poor families in Sekondi-Takoradi, Global Communities has been...
building the capacity of community groups, citizens and local authorities in participatory planning and budgeting. Through this, projects prioritized by the community were and continue to be integrated into the STMA’s development plans and budgets. This gives a meaningful voice to the poorest and most often disenfranchised residents of the city.

Global Communities is also working to create incentives for district staff to work with poor communities to demonstrate the effectiveness of working in partnership with all citizens. As an incentive to get the city officials and the residents of the poorest communities to plan, budget and implement projects together, IncluCity is providing $2,000 grants. These match community projects that are selected, funded and implemented by the STMA and community-based groups. Through this initiative, more than 40 priority projects – such as latrines for schools, street lights, and market sheds – have been implemented in communities in both Sekondi-Takoradi and Accra. In addition, Global Communities and STMA are putting in place ways to ensure that all members of the community equitably benefit from the Revenue Improvement Action Plans they prepare and implement, and that the poorest communities participate in the decision processes.

**Calculating Appropriate Taxation**

Payment of property tax is based on a combination of the ratable value of the building and the rate impost.

- The ratable value of the property is based on replacement cost estimates of the building which, among other factors, takes into account floor area, number of floors, building materials and location.

- Rate impost is a factor decided by the district assembly and allocated to a particular income zone. Sekondi-Takoradi is divided into 1st, 2nd and 3rd Class Residential Areas, each with a rate impost determined each year that means that residents in lower Class Residential Areas pay less tax than those in the higher classes. However, as the impost rate has not historically been based on any consistent method of projection, IncluCity has developed a mathematical model to generate a rate impost based on key parameters determined by the Assembly. Application of this system will commence in 2014.

- The ratable value, therefore, is multiplied by the rate impost each year, to give the tax rate to be paid on any property. Thus, residents of the lowest income zones pay considerably less than those in high income zones.
Conclusion

African urbanization is occurring at a hectic pace, much like the economic growth being experienced by many countries in the continent. Those countries undergoing economic growth have a window of opportunity to put in place the infrastructure needed to equitably address the needs of their citizenry. But in order to do so, they must combine indigenous knowledge with international and technological expertise to create well-functioning African metropolises.

Global Communities experience working in Sekondi-Takoradi suggests several key lessons:

- **Urban Interdependency:** Urban environments are a complex web of interwoven dependences. In order to solve urban challenges, therefore, we need to take a holistic and integrated approach that understands all aspects of how a city functions and how these affect each other. We cannot put in place a taxation system without mapping the city; we cannot map the physical geography of the city without understanding the human geography; and we cannot develop a taxation system that does not take into account differing human needs and abilities to pay.

- **Get the basics right:** Cities grow organically, but we have to understand the elementary particles of the organism — maps, data, street names, who lives where, what services they need and the state of the existing services. In order to address the bigger challenges, we need to build up from the very grass-roots of the city.

- **Communication and participation inform taxation:** It is essential to work with the people and the local government. There is no point in building infrastructure or putting in place services without a long-term plan to maintain them that relies on the community and local government. This is most effectively done by a well-regulated system of taxation that funds services provided by a responsive local government to an active citizenry. If the funds are there, we have to work with the communities to find ways to mobilize them that are fair and protect those least able to pay.

- **Focus on secondary and tertiary cities:** Urban growth is occurring not just in the capitals, where much of development assistance has been traditionally focused, but in other cities in many countries. Sekondi-Takoradi is growing rapidly because of the presence of crude oil. Cities grow because of in-migration toward industry, and the development community must focus on related issues. It is important to develop secondary industries (such as tourism in Sekondi-Takoradi) and put in place economic growth plans for the population who cannot take advantage of the primary growth industries, whether through lack of training or the use of expatriate labor.

As Africa’s growth continues, other questions will arise — what should African governments’ policies be toward the industries operating in their countries and the responsibility of those industries as it relates to mass migration toward industrial centers? How can African governments put in place sustainable economic growth plans for their communities that take into consideration diversifying their economies beyond commodities such as oil and gold? These are important questions that will weigh into how African urbanization is managed long-term from a policy level. But by working from the grass-roots level up and putting in place the foundations necessary for sustainable cities, such as in Sekondi-Takoradi, we can help create the best conditions for ensuring stable, responsive governance, diversified economies and a robust urban environment that meets the needs of urban communities.
About Global Communities Ghana

Global Communities has worked closely with partners on the ground in Ghana since 2007 on a number of projects. We work in Accra and Sekondi-Takoradi in partnership with USAID to improve water and sanitation; with HFC Bank to provide microfinance services to entrepreneurs and home-owners; and to implement IncluCity with the Bill & Melinda Gates Foundation. Since its inception in 2011, IncluCity has built the capacities of the Accra and Sekondi-Takoradi Metropolitan Assemblies to assist with raising municipal revenue and provide social and economic services to all sectors of the cities, particularly in traditionally underserved areas. Successes achieved through IncluCity include:

- Developed a Citizens’ Report Card with residents of STMA to rate the quality of water, public toilets and solid waste collection and pushing the service improvement issues into the new city MTDP.

- Developed a GIS system set up with property valuation/revaluation completed covering about 42,000 properties, over 3,440 streets and alleys and about 32,000 houses named and numbered respectively, and a comprehensive property identification database system being worked on for STMA. This will lay the foundation for transformed automated property tax and business licensing system which is expected to more than double revenues from property taxes and businesses licensing.

- In partnership with Institute of Local Government Studies and the National Development Planning Commission, conducted eight 3-day workshops for 650 elected officials, technical staff and representatives of 59 community-based organizations and leaders in participatory planning and budgeting.

- The cities of Accra and Tamale learnt improved ways and processes of designing and operationalizing their landfill sites in a manner that will prolong the lifespan of their landfills as a result of exchange visits to landfill sites in Tema and Sekondi-Takoradi.

Other Global Communities projects with the Bill & Melinda Gates Foundation and USAID include:

- Provided technical assistance, training and grants for infrastructure projects. The project is piloting an innovative approach to community Water Service Boards which manage the infrastructure under contract to Ghana Water Company (GWC).

- Helped city staff and the GWC improve project management skills and ability to provide technical support for communities and sanitation facilities in schools.

- Worked with eight local NGO partners and 22 community-based organizations, in coordination with city staff and a diverse range of urban stakeholders.

- Worked with communities and other stakeholders to construct household latrines, institutional latrines, market centers, public water points serving close to 30,000 people, paved community alleys, drainage projects serving 1,500 people, as well as door-to-door waste collection for more than 11,000 slum residents.

- Provided technical assistance to the public sector, including training on the use of GIS for monitoring waste management services and managing contracts as well as introducing source separation, resulting in 21,183 households successfully separating plastic waste in Accra.

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http://einstitute.worldbank.org/ei/