

CUTS/OXFAM BUILD CAPACITY OF MMDAs ON PROPERTY RATE MOBILIZATION TO ADDRESS INEQUALITY

CUTS Accra in collaboration with Oxfam in Ghana, is undertaking a project entitled: Fiscal Policies to Address Inequalities. The project examines how government can use the tools of taxation and spending to address the level of inequalities in the country. As part of project implementation, a capacity-building workshop on Maximizing Revenue from Property Rates has been organized at Miklin Hotel in Accra.

The workshop which was also supported by the Office of the Head of Local Government Service and the Institute of Local Government Studies provided the platform for 60 revenue officers from Metropolitan, Municipal and District Assemblies (MMDAs) across the ten regions of Ghana to share experiences on challenges and practical solutions to property rate collection; equipping participants with tools and contemporary approaches for increased property rate mobilization; and examining various ways of utilizing property rates and impact on stakeholder trust-building.

Addressing participants at the opening of the workshop, Dr Justice Samuel Date-Bah, a retired Justice of the Supreme Court and Board Chairman, CUTS Ghana, noted that Ghana's economy was largely informal which rendered tax collection an uphill task.

Dr Justice Date-Bah explained that due to the difficulty of tax collection, government relied heavily on indirect taxes, rather than on direct taxes. He said the law as it stood now allowed the MMDAs to collect fees, levies and property rates— yet data available indicated that the MMDAs' efforts to collect property rates fell short of what was expected and were, therefore, on the whole, unable to collect the required taxes to fund their development.

In addition, he said, the 'Ghana Beyond Aid' agenda implied that government should be able to raise the needed funds for Ghana's development, rather than depend on foreign aid. The workshop, Dr Date-Bah said, was, therefore, designed to equip participants with ideas for the enhancement of revenue collection at the MMDAs as far as property rates were concerned.

He explained that increased revenue from property rates meant that MMDAs could finance their own development agenda without having to wait for funds from Accra. Furthermore, he said, through this approach, substantial progress could be made in the attainment of the United Nations (UN) Sustainable Development Goals (SDGS) on poverty, zero hunger, good health and well-being, quality education, clean water and sanitation, reduced inequality and sustainable cities and communities.

In his remarks, Dr Abdulai Dramani, acting Director, Institute of Local Government Studies, underscored the importance of improved public service delivery for improved revenue mobilization. To that effect, Dr Dramani said, the rewards and sanctions system was necessary as an effective tool in promoting improved service delivery in performance contracts. In addition, he said, collaboration between the Land Valuation Board and the MMDAs in the determination of the values of properties for the assessment of their appropriate taxes would be a step in the right direction.

Ing. Dr Nana Ato Athur, Head of Local Government Service, noted that even though the law gave MMDAs power to generate revenues from rates, fees and tolls to finance their development projects, collection of these Internally-Generated Funds (IGFs), including property rates, had been poor. Ing. Dr Arthur bemoaned the inadequacy of the District Assemblies Common Fund

(DACF) —7 per cent of national revenue—in meeting the competing needs of the District Assemblies as well as its delayed disbursement.

He noted that the over reliance on DACF as the main source of revenue should be discouraged and urged the Assemblies to enhance their revenue mobilization efforts since it was only through increased revenue that their developmental challenges could be addressed. He mentioned the collection of property rates as one area of revenue that the Assemblies could vigorously pursue, adding that the District Assemblies were sitting on gold and yet begging for bauxite. Ing. Dr Arthur said the MMDAs could take advantage of the Ghana Post GPS to make the collection of property rates easier.

In a welcome address, Mr Appiah Kusi Adomako, Centre Co-ordinator, CUTS Ghana, noted that over the years, MMDAs had consistently spent more than they could generate as DACF — about 50 per cent of which is earmarked for specific purposes— was inadequate for their developmental needs. Furthermore, Mr Adomako said, Ghana was moving from aid to trade while the ‘Ghana Beyond Aid’ agenda required enhanced domestic revenue mobilization.

He said the Local Governance Act, 2016 (Act 936) required that all MMDAs should be responsible for the overall development of their respective jurisdictions. The workshop, he said, therefore, formed part of measures to help develop the capacities of MMDAs to maximize more revenue from the collection of property rates for the development of their assemblies.

About CUTS

CUTS Ghana is a research and advocacy policy think tank which works in the areas of consumer protection and education economic regulation, trade and development, regional integration, competition policy and law, etc.

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