

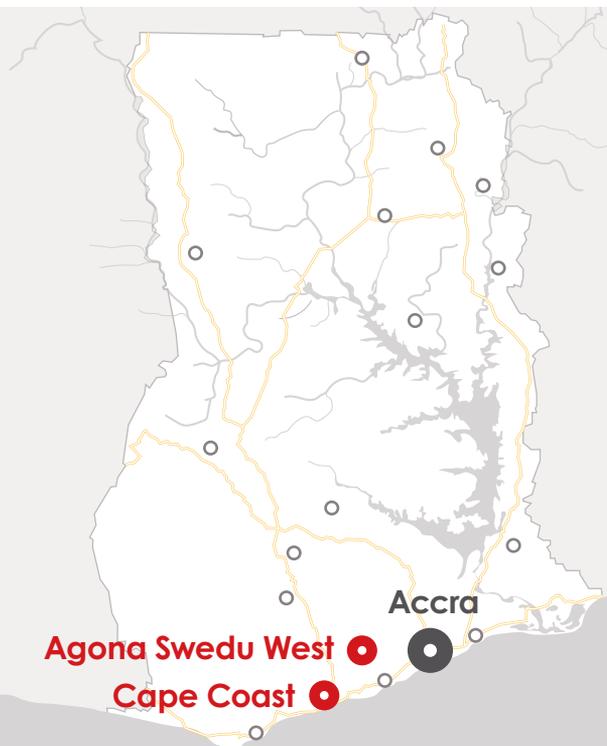
Joint Work Programme for Equitable Economic Growth in Cities

Cities Alliance
Cities Without Slums

Hosted by:  **UNOPS**



Figure 1:
Campaign Cities map



Campaign City Brief

Agona Swedru West, Ghana

Population

55,000

Employed in the
agricultural sector

34%

Annual fall in built-up
density

-7.6%

Sewage coverage¹

25%

A recognition of the importance of equitable economic growth (EEG), and the need to understand how EEG can be effectively promoted in secondary cities, led to the establishment of Cities Alliance's Joint Work Programme (JWP) on EEG in cities.

A trademark component of the JWP-EEG programme has been the Campaign Cities Initiative (2016–2020). This initiative began by creating local partnerships in eight secondary cities in Bangladesh, Uganda, Ghana, and Kenya. For each city, a diagnostic assessment of constraints to EEG was produced, resulting in the selection of a particular public good or service in the city that should be prioritised.

In Ghana, the Campaign Cities Initiative was implemented by the Institute of Statistical, Social and Economic Research (ISSER) and Eparque, a consulting firm, from February 2017 to November 2019.

The initiative assisted the secondary cities of Agona Swedru and Cape Coast (see Figure 1) to prepare evidence-based policy recommendations concerning how municipal public goods and services could be delivered in a manner that directly contributes to EEG. For Agona Swedru, the focus was on agro-processing and supply-chain linkages, and basic services provision, including water supply and waste management.



Figure 2: Producing the LAR in Agona Swedru, Ghana

Agona swedru context

With a population of 55,239, Agona Swedru is the commercial and administrative centre of the Agona West Municipal District.² This predominantly agrarian municipality is rapidly urbanising: its area has expanded by more than 700 percent over the past two decades,³ mainly driven by natural population growth and immigration.

Agona Swedru, however, suffers from rapid and uncontrolled urban growth and sprawl, and a reduction in building density of some 7.6 percent annually from 2010 to 2018.⁴ This has led to the loss of arable lands surrounding the city, and the expansion of flood zones. Urban sprawl, inadequate infrastructure and services, and weak land use planning capabilities, have in concert significantly hindered the development of the agro-processing sector. Moreover, most agricultural production is vulnerable to the vagaries of the climate and weather as it is rainfed given that irrigation is very limited, and agro-processing facilities are few and of a substandard quality.



Women manually peeling cassava tubers at home

The economic development potential of Agona West potentially is significant thanks to its relatively good transportation network, the presence of vibrant markets operating within the city, and its natural assets including forests and grasslands, with a high level of biodiversity in terms of flora and fauna. In 2014 the agricultural sector employed approximately one third of the workforce, and is expected to drive economic growth.⁵

Approach and methodology

Each Campaign City initiative took around 24 months to complete, and consisted of the establishment of a City Level Partnership (CLP), followed by the preparation of three consecutive reports and associated workshops:

1. **Establishment of a City-Level Partnership (CLP):** The Campaign City process began by establishing a CLP that used existing local multi-stakeholder fora. The CLP consisted of representatives from local government, chambers of commerce, the informal economy and the broader community, as well as the JWP facilitator. Members of the CLP debated issues and were responsible for the preparing the reports throughout the process.
2. **Preparation of an Institutional Enabling Environment Report (IEER):** A description of the institutional parameters under which Agona West Municipal Assembly (AWMA) operates was presented in the IEER.
3. **Preparation of a Local Assessment Report (LAR):** Based on the outcome of a workshop reviewing the IEER, the CLP identified one priority area of intervention to be further explored within the LAR: agro-processing and supply-chain linkages. Input from the CLP was supplemented by a review of secondary data including census reports, national strategy reports and reports of previous surveys, and the collection of empirical data on the various variables of interest through household and business surveys, expert and key informant interviews.
4. **Policy Briefs and the Recommendations:** A Policy Brief and Recommendations were then developed based on the recommendations of the stakeholders.



Women roasting gari in a factory

Findings

The IEER and LAR reports highlighted a number of challenges that must be addressed in order to achieve Agona Swedru's EEG potential:

- **Value-chain management of agricultural products has been inefficient.** The two main agro-processing value chains in Agona Swedru are cassava and palm oil; both are underdeveloped. Traditional processing methods are time consuming, and the majority of agro-processing jobs are concentrated in the low value-added informal economy, characterised by low wages, and inadequate and unreliable labour. Compounding these difficulties is a lack of a proper credit system and unreliability of the road networks, especially in the rainy season.
- **Water supply and waste management is inadequate.** Water supply from the utility company serves only about a third of the municipality and is of poor quality. Wastewater and solid waste management is widely inadequate and unhygienic.
- **There is a lack of integration between sectors and actors.** Agona Swedru is not taking advantage of potential synergies between sectors, with limited involvement of the private sector and civil society. Regarding water and sanitation, the multiplicity of institutions and lack of coordination between service provision and planning boundaries is a notable challenge.
- **Agona Swedru's sources of finance are inadequate.** Like other cities in Ghana, Agona Swedru is under the Intergovernmental Fiscal Decentralization Framework (IFDF), which is not functioning effectively. As highlighted in the IEER, the IFDF gives discretionary powers to local governments to plan and utilise financial resources, however

there are constraints on the quality and quantity of available funds. In Agona Swedru, budgetary allocations to planning bodies required in order to prepare development and service provision plans is inadequate, and the city lacks a proper property tax collection system and effective land value capture mechanisms. Access to credit is limited by Government regulatory restrictions.

- **Lack of institutional capacity is a constraint to managing spatial development, finances, and service delivery.** Agona Swedru lacks the necessary staff to enforce the local plans. Furthermore, the IEER identified a very low level of collaboration and coordination among the departments and units of the District Assembly, affecting physical planning and utility service provisions. For example, the Assembly does not always coordinate utilities with other infrastructure entities, such as roads departments.

The aforementioned challenges need to be addressed in order to improve public service delivery and promote economic development.

These are also priority areas that align with the development strategy outlined in the Agona West Medium Term Development Plan (MTDP), which was based on a Public-Community Partnership approach where the Municipal Assembly, Government of Ghana, communities, NGOs and other Development Partners collaborate to promote sustainable development and alleviate poverty at the local level.

Agona Swedru's MTDP prioritises local economic development, infrastructure and related services (water, roads, sanitation, education, etc.) and governance. The MTDP also leverages the existing Planting for Food and Jobs (PFJ) program which aims to develop and grow selected agricultural value chains.

Figure 2. EEG pathway for Agona West



Figure 3. Upgrading processing methods can improve the efficiency of palm oil processing



Manual fruit thresher



Mechanical threshing of fruits

Recommendations

The Campaign City policy briefs and consultations identified measures to promote EEG in Agona West including:

- **Growing the cassava and palm oil agro-processing value chains:** Upgrade processing methods by introducing more efficient technologies and introduce new product lines such as industrial starch and dried chips. Packaging and labelling can further add value while creating backward linkages with industries that depend on agro-inputs as raw materials such as the food, pharmaceutical and paper industries. In addition, supply to schools, colleges, prisons and ministries could be used as an entry point to larger markets in cities such as Accra, Kumasi and Cape Coast.
 - **Improve water provision and treatment and sanitation.** Both the quality and quantity of piped water supply and network coverage should be increased. Irrigation schemes should be developed to ensure agricultural production throughout the year and guarantee regular supply to industries. This would require \$1.8 million in capital investment and operating costs, which could be covered by the Government of Ghana through the Ghana Water Company Limited (GWCL).
 - **Create synergies between sectors and actors.** The road networks linking farms to markets or industries should be rehabilitated and extended. This would
- require over \$8 million in capital investment from the Urban Roads Department. The Central Government should also provide AWMA with \$17 million to develop an engineered landfill site should be to convert biodegradable waste (including agro-processing by-products) and wastewater into compost, biogas and electricity. Public-Private Partnerships should be developed to grow the agro-processing sector. Coordination between the AWMA, the Ghana Water Company Limited (GWCL), and the waste management contractor should be promoted.
- **Building the capacity of the AWMA.** Additional Spatial Planners and Technical Officers should be recruited and financed by the Central Government (Ministry of Local Development and Rural Development). AWMA should fund a programme to educate various departments on the importance of spatial planning and its ability to generate revenue. Spatial Plans should be developed to provide a long term vision for Agona Swedru. Operating costs totalling \$200,000 could be covered by the World Bank Secondary Cities Project budget.
 - **Leveraging untapped sources of financing.** The Physical Planning Department of the AWMA should raise revenues from permitting. AWMA can establish Land Value Capture Mechanisms, for example by purchasing and reselling land, or by setting development rates.

Endnotes

- 1 https://afrobarometer.org/sites/default/files/media-briefing/ghana/gha_r6_presentation2_public_service_delivery.pdf
- 2 Cities Alliance. 2019. Local Assessment Report, Cape Coast Metropolis and Agona West Municipality, Ghana. Prepared as part of the Cities Campaign of the Cities Alliance Joint Work Programme (JWP) for Equitable Economic Growth in Cities.
- 3 Ibid.
- 4 Ibid.
- 5 Agona West Municipal Assembly. 2014. Final Draft of the Medium-Term Development Plan (2018-2025) under the Medium-Term National Development Policy Framework. An Agenda for Jobs: Creating Prosperity and Equal Opportunity for All. Prepared by the Municipal Development Planning Unit. Swedru.