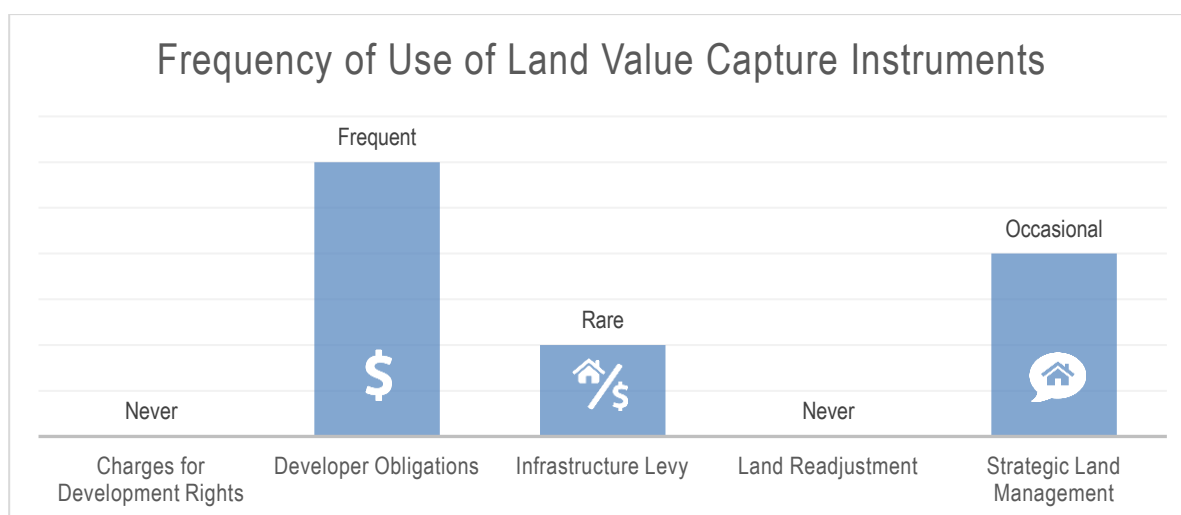


Ghana



Several land value capture instruments are used in Ghana, including developer obligations, strategic land management, and infrastructure levies, to recover costs from the impact of developments on public infrastructure use, to consolidate land, control urban growth and facilitate spatial planning. The main obstacles that limit broader use of land value capture include lack of administrative capacity, lack of financing for the acquisition of land, resistance from landowners, and an inadequate land registry.

Main instruments

Instrument (OECD-Lincoln terminology)	Local name	National legal provision	Implementation	Use
Developer obligations	Development charges/ Building permit fees	Section 92, Local Governance Act/2016 Section 116, Land Use and Spatial Planning Act/2016	Local governments	Frequent
Strategic land management	Public land acquisition	Article 20 (1a and b); Constitution of Ghana/1992 Section 208, Local Governance Act/2016 Section 167, Land Use and Spatial Planning Act/2016 Section 223 and 235, Lands Act/2020	Local governments	Occasional
Infrastructure levy	Betterment charges	Section 102, Local Governance Act/2016 Section 111, Land Use and Spatial Planning Act/2016 Land Use and Spatial Planning Regulations/2019 Lands Act/2020	Local governments	Rare



Enabling framework

Ghana is a unitary country with one tier of subnational government comprising 254 municipalities (OECD and UCLG, 2019^[1]). There is no legal definition of land value capture, and major gaps exist in the accuracy of the country's land registry.

The principle of a social function of property is included in Ghana's constitution.



Infrastructure levy

Though infrastructure levies have not been used to date, they feature in legislation on local government financing, and several legislative reforms concerning infrastructure levies were undertaken between 2016 and 2020 (see table). This is mainly limited to user charges. The intent of the reforms is to require all property owners whose properties have been enhanced by public infrastructure contribute to defraying their cost. It is also applicable in compensation claims where charges may be offset against a claim of compensation for those owners whose properties have appreciated in value due to the public action.

Obstacles hindering the use of infrastructure include resistance by property owners and the lack of administrative capacity of public entities to calculate, apply, and enforce related fees.



Developer obligations

Developer charges in exchange for development rights are increasingly popular among local authorities, partly due to the ease of implementation through fee-fixing resolutions, a local authority bylaw that sets and reviews annual fees, rates and charges that local authorities are allowed by statutes to collect as part of their internally generated funds.

Developers are subject to obligations to obtain approval for new development, densification, and exemption from zoning regulations, and consist of either cash or in-kind payments in the form of land, public space, infrastructure improvements or service provision. They are designed to compensate for the cost of increased use of public infrastructure and services, or the increased value of land due to development.

Charges are calculated and applied according to a specific local master plan, which weighs the costs that a development imposes on infrastructure, its location (e.g. neighbourhood, greenfield or brownfield), and its physical characteristics (e.g. size, density, quality, etc.).

Developers can be exempt from charges if their development provides a social benefit that outweighs its impact on infrastructure, e.g. affordable housing, or green or public space. Such charges must be paid before or at the moment that a development receives approval. Local governments issue development approvals and receive the revenues from charges, without any need for approval from the national government. Developers sometimes appeal.

The obstacles hindering the application of development charges include a low quality land registry and insufficient capacity of public entities to determine development impact on infrastructure, negotiate charges with developers, etc.



Strategic land management

Strategic land management is used to consolidate land, control urban growth and for spatial planning. The legal basis is provided by national law and is frequently adhered to by actors involved. Land acquired for strategic land management is typically located within the jurisdiction, consists of both greenfield and brownfield sites, and is acquired either through purchase at market price or expropriation.

It is not possible for the government to freeze land prices before announcing public investment or rezoning, and then buy land at that price. However, land acquired for strategic land management is typically rezoned by the government or an authorized public entity, and is typically developed before sale. There is no limit to how long land acquired for strategic land management can be retained. Development before sale include basic physical preparation (e.g. drainage, decontamination), public space, roads or parking, public utilities, and construction of affordable or market rate housing.

Public-private partnerships can be involved in strategic land management. They include the national government and may take the form of either joint ventures or contracts between public and private entities where private entities have responsibilities for developing the acquired land and financing its development.

Land acquired via strategic land management is sold at market price, through auction, transferred to another public entity, or leased. Public land is leased to generate public revenue, provide land for real estate development, or facilitate planned urban growth or development with a public purpose.

Land is typically acquired, retained, and disposed of by both national and local levels of government, as well as independent public corporations, and all three receive revenues from sales. Subnational governments do not need approval from a higher level of government to execute strategic land management.

In an attempt to promote affordable housing, the government has acquired lands through expropriation for affordable projects such as the Saglemi Housing project, the Kpone Affordable Housing project, and the Asokore Mampong Affordable housing project, among others in regional capitals. However, these projects are still at various stages of completion, and housing units have not yet been sold.

Obstacles hindering the use of strategic land management include the lack of coordination between relevant public entities, and the lack of financing for the acquisition of land.