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Public Markets in Ghana: The Case of Kumasi



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Acknowledgements:

Case study prepared for Cities Alliance

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Front page image: Aerial view of Kejetia Market, Kumasi (by Wirestock Creators - stock.adobe.com)

Project overview:

USAID's Ansanm Ann Chanje Lavil (Together Let's Change the City) initiative, or simply LAVIL, supports increased municipal service delivery in select municipalities to achieve long-term, sustained local economic development in Haiti. In its initial phase, LAVIL focuses on public markets – multi-functional spaces that play a vital role in the local economy and promote social cohesion, but are challenging for local governments to manage effectively. LAVIL promotes the sustainable management of public markets, stimulating local solutions for basic services with an emphasis on solid waste, co-creating spaces for multi-stakeholder dialogue, and increasing capacities within municipal governments. LAVIL is implemented by Cities Alliance in partnership with the municipalities of CapHaïtien and Les Cayes, Fondazione Associazione Volontari per il Servizio Internazionale (People for Development), Habitat for Humanity, Institute for Housing and Urban Development Studies, and the Institut de Formation et de Services (Institute of Training and Services). This document, "Public Markets in Ghana: The Case of Kumasi" is part of the LAVIL initiative. Its aim is to contribute toward promoting cross-learning based on practices from other cities from the Global South.

Disclaimers: This study is made possible by the support of the American People through the United States Agency for International Development (USAID). The contents of this study are the sole responsibility of the authors and do not necessarily reflect the views of USAID, the United States Government, the Secretariat of Cities Alliance and its members, or UNOPS.

This study was prepared as a desk study by Forbes Davidson and Aloysius Bongwa together with Mr. A. A. Amankwah, retired official of Kumasi Metropolitan Assembly (KMA) and Rudy Wilson, Head of Transportation at KMA who have been involved in the GUMPP programme and the DEALS programme in addition to their civic duties. They input from their experience, and in addition have carried out supporting interviews. Their inputs are shown as quotations. The aim is to provide access to experience gained in Kumasi in the process of redeveloping and improving city markets, especially for cities in Haiti facing similar issues.

The information provided in the text is referenced by its source. The contents of the case study draw on studies that have been carried out, on the experience of those developing the case and from interviews with key stakeholders.

The text is the final responsibility of the authors and does not necessarily represent the views of Kumasi Metropolitan Assembly.



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Acronyms, Abbreviations and Key Terms

Acronyms and abbreviations

AFD	Agence Française de Développement
CBOs	Community based organizations
ESIA	Environmental and Social Impact Assessment
GUMPP	Ghana Urban Management Pilot Programme (Ministry of Urban Development, IHS, Funded by AFD)
DEALS	Governance of Inclusive Green Growth in Cities: programme organized by VNG supported by Netherlands Government to support local government to work collaboratively with different partners in local development, including markets.
DACF	District Assembly Common Fund
IGFs	Internally Generated Funds
IHS	Institute for Housing and Urban Development Studies, Erasmus University, Rotterdam, The Netherlands
IMF	International Monetary Fund
IMIF	International Municipal Investment Fund developed by UNCDF and UCLG
KMA	Kumasi Metropolitan Assembly
KNUST	Kumasi Nkrumah University of Science and Technology
MLGRD	Ministry of Local Government, Decentralizations and Rural Development
MMDA	Metropolitan, Municipal, and District Assemblies
MOTI	Ministry of Trade and Industry
NGOs	Nongovernmental organizations
O&M	Operation and maintenance
PPP	Public-private partnership
PNDCL	Provisional National Defense Council Law
UDU	Urban Development Unit
UNCDF	UN Capital Development Fund
UN-Habitat	United Nations organization dealing with urban development
VNG	Association of Netherlands Municipalities

Key terms

<i>Asantehene</i>	The traditional ruler, the King of Asante, Otumfuo Osei Tutu II. The approval of the king is necessary for the allocation of the use of land to be made.
Hawkers	Informal traders not working from a fixed location
Informal traders	Traders using open areas without a permit
Product chief	In Kumasi, the traders for some products, such as meat, are predominantly male and are represented by a product chief (e.g., the meat chief).
Market queen	In Kumasi, a market queen is a trader selected by other traders to represent their interests. She is involved in allocation of stalls and in settling disputes. She liaises with the market manager. There are also queens for different products, such as tomatoes or cloth.
Petty traders or street traders	Traders without a permit for a fixed stall or shop but with permission to use open areas with payment of a fee
Public market	A public market or municipal market is a place or building established by local government to facilitate buying and selling of food and or goods. It is established primarily as a service to help both traders and customers exchange at affordable prices and charges. A market can include shop units, but typically comprises stalls or tables that may or may not have a permanent roof. It can also include supporting services such as water, toilets, storage, security, and fire safety.
Relocation	Moving people or traders to another location
Resettlement	Moving people or traders to another location and ensuring that they are at least as well off in the new location as they were in the old.
Resettlement Action Plan	A plan to organize the resettlement of housing or traders. Good resettlement means that people should be helped to reestablish in the new location in such a way that they are better off or at least no worse off than in their existing location, in terms of social, economic, and environmental aspects.
Stall holders	Traders with a permit for a fixed stall
Shop owners or renters	Traders having a permanent lockable store
Traditional leadership	In Kumasi there is an important role of the <i>Asantehene</i> (king) in land issues as the traditional holder of the land.



Executive Summary

The redevelopment of the Central Market in Kumasi, Ghana, and the parallel development of satellite markets in the city are described in this case study. This ongoing process provides a rich source of lessons – both for actions that have gone well and for some of the challenges that are still being faced.

The challenges and the plan

Kumasi is the second city of Ghana, with a population in its core area of 440,000; but it is the center of a fast-urbanizing area of 3.5 million growing at between 2.2% to 3.5% per year. Ghana shares cultural roots with Haiti. It does have a stronger economy and level of development, but also shares some common problems. These include poverty, vulnerability to global markets, and more extreme weather due to climate change.

The old Central Market of Kumasi, already one of the largest in West Africa, was becoming increasingly congested, with conflict between space for trading and space for traffic. A bold decision was made to redevelop the market, a process that started in 2014 and is nearing completion at the time of writing (2024).

The plan for redevelopment of Central Market had to find ways to accommodate traders while construction work was underway. To do this, traders were first moved to other locations, including a new location at Racecourse, some 2 kilometers to the north. The Kejetia transport terminal adjacent to the original Central Market was then redeveloped into a new three-story market building (Kejetia/Central Market phase 1). When this was completed, Central Market activities were transferred to it, allowing the original Central Market site to be redeveloped into a second connected building (phase 2).

A parallel course of action was the development of satellite markets elsewhere in the city, which could absorb some of the pressure. The large scale of the Kejetia/Central Market buildings required significant funding, which was obtained initially with help of the Brazilian government and later with other international funding. Some of the satellite markets received support from the Ghana Urban Management Pilot Project (GUMPP), which had support from the French government. This case study looks at the process of the planning and development of Kejetia/ Central Market, Racecourse Market, and satellite markets supported by GUMPP.

The outcomes so far

The Kejetia/Central Market (phase 1) is already open and is a lively location. The 2nd phase – the building on the Central Market site – is partially complete. At the time of writing, construction is stalled due to



restrictions on international borrowing. The Racecourse Market activity has grown rapidly as a safety valve, but suffers from underdeveloped infrastructure. Some of the other satellite markets have innovated in their development and have useful lessons to share. However, there are still problems with drainage and traffic congestion, and the process of resettling traders successfully has proved difficult, especially as construction was slower than expected and there have also been teething problems.

The lessons

We think that the most important lessons relate to the participatory planning and management, design and construction, the management of relocation, and the financial arrangements.

- For the *physical* aspects of planning, design, and infrastructure, it is important to plan *holistically*. *Participation* is very important for achieving wide inputs into planning and design. The Kumasi experience shows the benefits when this is well done, as well as the problems when it has not been implemented well. The *design* and implementation of the buildings is a very important aspect, but so too is the *quality of supporting infrastructure*, including transportation and the maintenance of the assets once constructed. A critical area for vulnerable traders is how *relocation and resettlement* is planned and implemented. The *location and timing of the availability of alternative permanent and temporary trading spaces* are vital for traders' livelihoods. The lesson is that these aspects need to be very well planned and implemented to avoid severe hardship.
- For *governance* the main lesson is that the well prepared and *genuine participation* of key stakeholders is extremely important for success. The participation of the traders, especially women, who are the largest group of traders in markets in Ghana, have an important role in both planning and management. This participation should be inclusive of informal traders to both have an impact on congestion issues and to minimize hardship for vulnerable groups. The *collaboration* between local government departments and the harnessing of private sector potential are also important lessons.
- The case study also demonstrates the importance of the *financial* aspects. If the goals of market redevelopment are to be achieved, the relationship between the costs, especially of borrowing, the *affordability*, the *operation and maintenance*, and *debt repayment* (where there is a loan) must be balanced. Local government needs to have flexibility to use local sources of finance.

It is hoped that this case study of the Kejetia/Central Market and satellite markets of Kumasi can offer a learning experience for mayors and other stakeholders involved in the development or redevelopment of vibrant public markets so that they may continue to serve essential functions in their communities.

1. Introduction to the Case Study and the Management of Public Markets



Ghanaian garden eggs (Esther2010, CC BY-SA 4.0 <<https://creativecommons.org/licenses/by-sa/4.0/>>, via Wikimedia Commons, crop)

This section introduces Kumasi and the case study and highlights some of the important qualities and potential goals of public market development.

1.1 Why a case study of Kumasi?

Kumasi in Ghana has been facing many of the problems typical for other developing countries: rapid urbanization, a poor and vulnerable population, increasing exposure to extreme weather due to climate change, limited government capacity, and always too limited funding. On the positive side it has a vibrant culture and traditions, a resilient society, and an ambition to make things better. This case study looks at Kumasi's activities to improve how its markets work. It is both a simple story and a complicated one, but one where many lessons can be learned. There is a saying, "to make an omelet you have to break eggs," but how to avoid breakages and how to make a good omelet that everyone can afford and enjoy – that is the challenge! Kumasi has had advice from international "chefs" but also has made its own choices.

1.2 The approach

The purpose of the case study is to provide lessons and references useful for the management of markets in Cap Haitien and Les Cayes in Haiti. Ghana was chosen as a relevant source of cases because it is also a developing country, shares impacts from colonialism and slavery, and has common cultural roots. There are, of course, differences in history, culture, legal systems, and the current level of development, and these need to be considered when assessing the possible adaptation of lessons. Both countries also face many challenges. We believe that



'To make an omelet you have to break eggs' – but how to avoid breakages and how to make a good omelet that **everyone can afford and enjoy – that is the challenge!** Kumasi has had advice from international 'chefs' but also has made its own choices."



Ghana market eggs (Edithobayaa1, CC BY-SA 4.0 <<https://creativecommons.org/licenses/by-sa/4.0/>>, via Wikimedia Commons, crop)

lessons can be learned both from challenges that have been met with success, as well as where challenges are still ongoing.

This is a case study and not an evaluation (for which a much fuller study would be necessary). We highlight lessons from market development and management experience. We use research, web-based materials, observation, and satellite imagery to try to give an objective view. We first give a broad framework for considering the management of markets and then focus on the aspects potentially the most useful for Haiti.

The main types of activities used in this case study and how they relate to each other are illustrated in Figure 1. It shows the connection between physical aspects, market management, finance, and the importance of working towards a clear goal.

1.3 The role of public markets

First, it is good to clarify what we mean by “public markets”, which helps to make clear the role that they play. There are many definitions of public markets¹. Our working definition is as follows:

A public market or municipal market is a place or building established by local government to facilitate buying and selling of food and/or goods. It is established primarily as a service to help both traders and customers exchange goods at affordable prices and charges. A market can include shop units, but typically comprises stalls or tables that may or may not have a permanent roof. It can also include supporting services such as water, toilets, storage, security, and fire safety.



Framework for market management

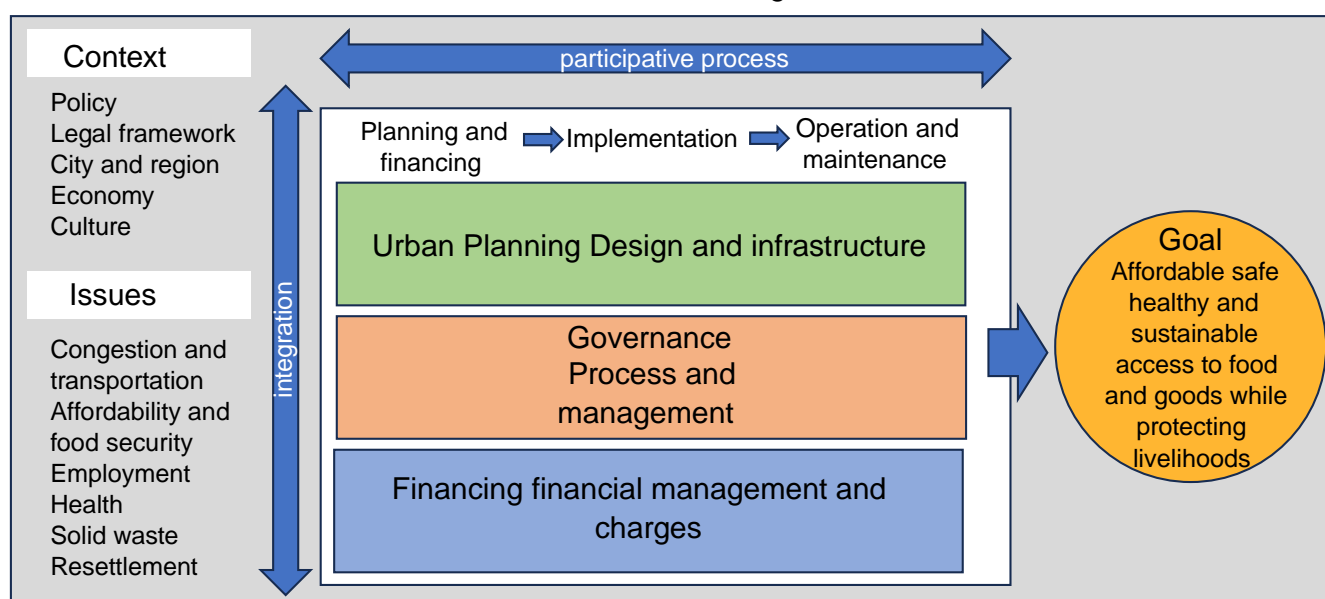


Figure 1. Framework for planning public market management (source: Forbes Davidson).



Figure 2. Roles and benefits of public markets (source: Forbes Davidson).

Public markets have many roles in a city (Figure 2). They are critical for the welfare of both urban and rural areas and are important for public health and for transportation planning.

1.3.1 The overall goal and benefits of public markets.

To develop good public markets, it is important to have clear and agreed goals. We suggest that a goal should be to ensure that there is affordable, healthy, and safe access to food and basic goods for all income groups. At the same time, the income generation potential, especially for women and marginal groups, should be maintained or enhanced. The challenge to local government is to make sure it can organize the financing and management of construction, resettlement, and ongoing maintenance, while keeping charges affordable and opportunities for income generation available. In addition to local users, public markets also serve the growers and sellers from surrounding areas that supply foodstuffs and other goods and who also rely on the city for services.

1.3.2 Principles

Because public markets have such important connections with other activities, the ability of local government to manage these connections well is critical for success. Important principles are listed here as a guide to what

should be aimed at, ideally to succeed in aligning public market development with the Sustainable Development Goals (SDGs).

There are several key principles of public market development derived from the SDGs and the UN-Habitat Agenda:

1. **Integrate the development of the market** with other connected development sectors, such as transportation, solid waste management, public health, infrastructure, and housing.
2. **Manage the development process** in such a way that stakeholders can participate effectively in the process of planning public market development, operation, and maintenance.
3. **Address development issues** and mobilize potentials identified in the participative processes.
4. **Respect local culture** and traditional systems.
5. **Ensure development is sustainable** in terms of social environmental and economic goals. This includes being affordable and accessible as well as maintenance being funded.
6. **Plan financing of development** and charging to ensure that market investments can be re-paid, and maintenance carried out without compromising the goals of affordability and income generation.

These principles are not easy to keep to and require local adaptation, but they are an important starting point.

1.3.3 Structure of the case study

The case study is structured around three central themes connected with public markets: physical aspects, governance, and financial aspects. We begin in Section 2 by describing the context of Ghana and Kumasi to put the case into perspective and to help to highlight the important lessons from the experience.

We then look at the three themes connected with market development in more detail. Section 3 explores the physical aspects of public markets, as related to urban planning, design, and infrastructure, including the timing and spatial and physical aspects of development. Section 4 focuses on aspects of governance, including management of public markets, stakeholders involved, participation in planning, and issues related to relocation and resettlement. Section 5 considers how finance connects to financial management, funding, and charges. We conclude in Section 6 with lessons learned from the Kumasi case study.

2. Context



This section gives an overview of the market development framework at the national level and describes the situation in Kumasi relating to public markets.

2.1 Context of Ghana and central government's role in public markets

Ghana is one of the more successful countries in Africa, but must grapple with the common issues of rapid population growth, especially in cities, urban congestion, and

“

Public markets are the heart of Ghanaian cities, as they are elsewhere in Africa. If they function well, the overall impact on the city can be very significant.



Figure 3. The location of Ghana and Kumasi (source: adapted from OpenStreetMap).

poverty. Public markets are the heart of Ghanaian cities, as they are elsewhere in Africa. If they function well, the overall impact on the city can be very significant.

The population of Ghana is more than 31 million, growing at 2.15% annually. The urban population is growing at 2.6%, however, reflecting the natural growth and the movement of people to cities.

2.1.1 Responsibility for markets

The public sector has a vital role in ensuring markets are sufficient to meet needs, are well managed, and meet the overall goal. Central government cannot manage local markets, and local government cannot manage without central government, especially when it comes to major developments.

National Government role

The role of national government is to set policy and to stimulate its implementation by funding, capacity building, regulation, and monitoring. In Ghana, the legal framework is set in the Local Governance Act 936 of 2016. This empowers local governments to plan, site, and manage all public markets in their areas of jurisdiction. The Local Government Ministry has the oversight responsibility of all markets, including Kumasi. The government's policy is defined in the National Medium Term Action Plan, which is implemented through its allocation of funding².

The spatial side of development is controlled by the national spatial planning laws³, originally strongly influenced by colonial concepts and legislation. There is increasingly strong local input and control related to decentralization policies, however, and, in Kumasi, the Ashanti kingdom has a strong role in agreeing to the use of land.

In Ghana, the existing institutional structures, policies, and regulations frame the options and scope for urban infrastructure investment (including markets). For instance, national legislation governs the collection and transfer of revenue by different tiers of government, as well as the conditions under which sub-national governments can use financing instruments, such as borrowing (municipal debt financing) municipal bonds, public-private partnerships (PPP) and land value capture instruments. The design of institutionalized relationships is key to the operation of public policy and expectations about the acceptable practices of public expenditure and administration. The Ministry of Finance oversees financial aspects and is especially important when international funding is involved.

2.2 Kumasi overview

This section looks at the growth of Kumasi and the issues it is facing.

2.2.1 Population and physical context and issues

Kumasi, the second city of Ghana, currently has 1.56 million people in its greater metropolitan area and an estimated 3.5 million in the wider urbanized area, and it is growing by 3.58% to 6% annually, depending on sources.⁴ This rate of growth represents an enormous challenge in trying to provide infrastructure, including markets and access to affordable and accessible goods and services. Kumasi is the seat of the Ashanti kingdom, which has a long history and was a strong economic center before being colonized. The colonial period saw the introduction of western town planning and economic systems. At that time, the original central market buildings were constructed. Figure 4 illustrates the growth of the built-up area and the official boundaries. This rapid growth led to several issues, including excess demand related to the existing capacity of the markets, unhealthy conditions with limited health facilities, limited space for overflow from the existing markets, congestion of streets, overuse of the capacity of roads and parking, competition between market expansion and housing, and stress on the capacity for waste management.

The existence of the Ashanti kingdom, which controls the use of land, provides a counterbalance to local government and the private sector, and this gives a level of stability. At the same time, the strengthening of local government and the availability of the technical expertise of Kwame Nkrumah University of Science and Technology

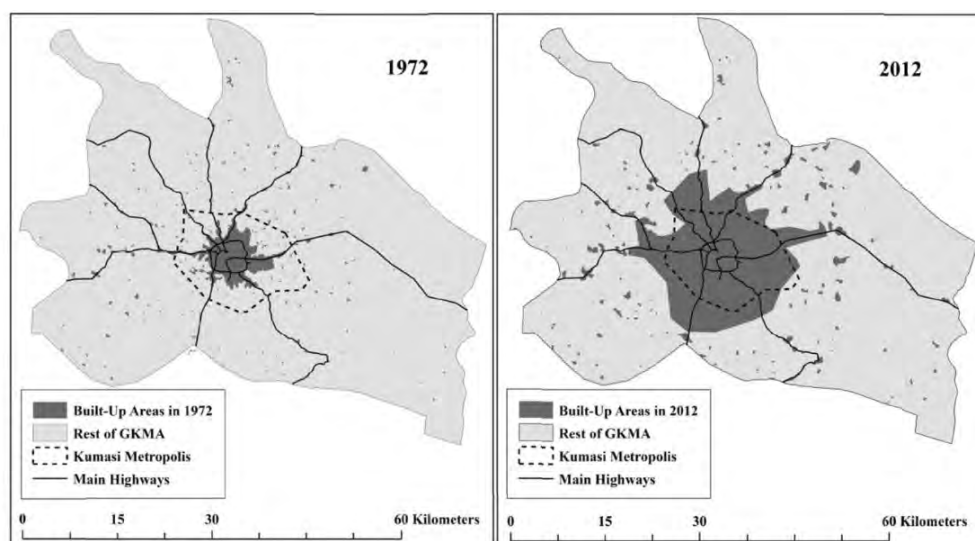


Figure 4. Built-up areas of Greater Kumasi Metropolitan Area 1972 and 2012 (Source: Oduro et al., 2014)

(KNUST), with strong planning, engineering and social capacities, have helped make Kumasi a relatively well managed urban center.

2.2.2 Socioeconomic and health context and issues

The population using markets has a wide income range, but the segment depending on markets for work and for affordable food and goods includes a significant low-income group. This means that issues such as charges for market stalls are very sensitive and must be considered when deciding on forms of financing for market construction and reconstruction. This is also the case when traders are relocated if the new site is not well located for business.

The majority of traders are women, and many have low incomes and may be the sole family provider. This means that the income from trading is an important part of family income and has implications also for children's education, health, and housing. There have been several studies to help understand the roles of market women and the issues they face⁵. A market woman in Kumasi telling her story highlights the connection between making a living in the market and housing, which in turn relates to health and education:

"So, in the big towns, especially, you will find someone to go and get things for you to sell, so that you too will earn something to buy food to eat. Yes indeed, to build a house. If you only tell the truth, you will get enough to build a house"⁶

It is very important to manage markets and market development in a way that the most vulnerable sections of society have an opportunity to earn a living and are protected, rather than becoming victims.

2.2.3 Kumasi markets

The role of Kumasi in market operation and development

Local government, in this case, Kumasi Metropolitan Authority (KMA), is responsible to ensure the provision of public markets, to coordinate their management, and to ensure that they are serviced.

The role of local governments includes:

- Zoning sites for markets
- Mobilization of internal or external capital for construction
- Supervising design and construction and ensuring health and safety including fire protection
- Community mobilization

- Management of markets or managing partners
- Setting fees
- Collecting charges
- Ensuring solid waste is managed properly

They can carry out work directly, but can also contract to the private sector.

The local government's efforts to improve the situation in Kumasi are ambitious and are having some significant success, but the process of change involving the temporary movement of market traders has also led to challenges.

Kumasi markets and their roles

The central market of Kumasi is considered one of the largest in West Africa and is supported by a network of satellite markets. The main activities are outlined here and detailed later in the case study.

There are several main groups of markets in Kumasi: Kejetia/Central Market in the city center, with Racecourse Market as an overflow, and a series of satellite markets. Most of these serve local areas, but some are complementary to the central markets and can help to relieve pressure.

The markets in Kumasi have different roles. The largest – Kejetia and Central Market – are classified as *hybrid*.



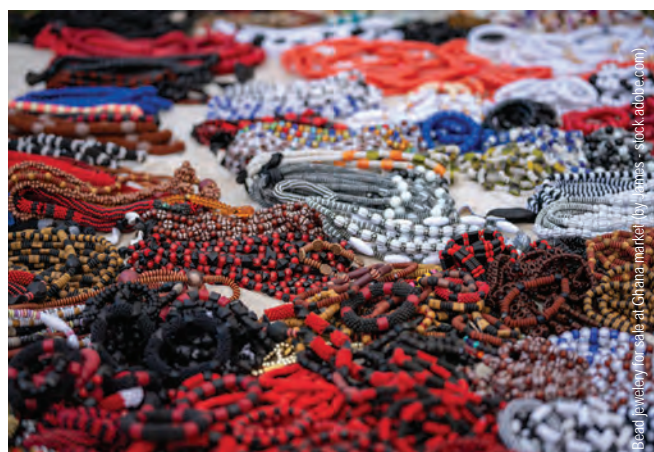
Table 1. Markets in Kumasi.

Market	Classification	Size and comments
Kejetia/Central Market (phase 1)	Hybrid	1420 stalls/7,200 shops Brazilian Government support
Kejetia/Central Market (phase 2)	Hybrid	18,000 stalls/15,500 shops/25,000 open air market Funding supported by Deutsche Bank with UK credit guarantee
Racecourse Market	Hybrid	12,000 stalls/ 0 shops/6500 open air. Initial support by Brazilian Government, later by NL government.
Afia Kobi Market	Hybrid	
Bantama Market	Hybrid	2350 stalls/1291 shops/525 open market
New Agogo (Atonsua) Market	Hybrid	GUMPP supported
Old Tafo Market	Hybrid	GUMPP supported
Kwadoso Market	Hybrid	
Adum Market	Clothing and electronics	
Moro Market	Footwear	
Kwadoso Market	Onions	
Asawase Market	Maize and Cola	GUMPP assisted
Anloga Market	Onions	

Source of figures: Estate Office annual report (KMA, 2023).

Note: Information was not available at this time for some categories.

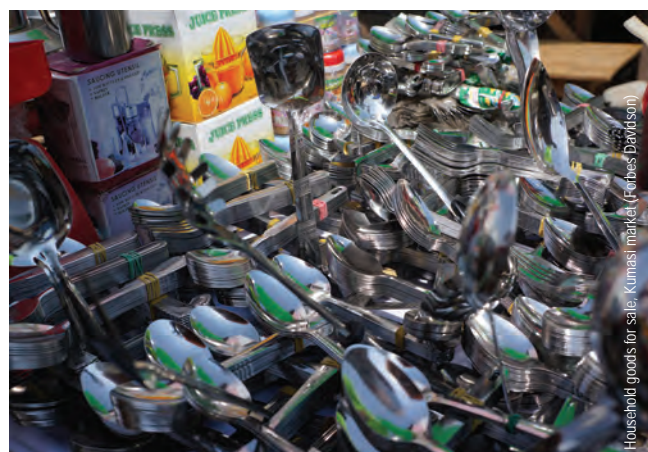
This means that they sell multiple products such as vegetables, meat, clothing and cosmetics. These are complemented by satellite and specialist markets, of which there are 26. Table 1 lists the some of these markets and the types of products sold. Some markets are also linked to transportation terminals. This is the case with Kejetia, Central Market, and Racecourse Market.



We examine here the redevelopment of Kejetia/Central market, Racecourse Market, and the development the satellite markets which were supported by the Ghana Urban Management Pilot Project (GUMPP)

Support from central government and development organizations

Phase 1 of the redevelopment process has had external support from the Brazilian government. Phase 2 (Central Market) has funding from Deutsche Bank and UK export support. For the general planning and coordination, there was support first from Brazil and then from the Netherlands via the Governance of Inclusive Green Growth in Cities (DEALS) programme. For the satellite markets, there was support from France via the GUMPP programme, funded by Agence Française de Développement (AFD). In all these cases, the central government was also involved. Funding from development sources has meant that social and environmental safeguards have had to be met.⁷



3. Physical Aspects: Urban Planning, Design, and Infrastructure Related to Markets in Kumasi



This section will look at the connections between the physical and spatial elements related to market re-development and will examine the approaches used in Kumasi to tackle the timing and physical issues. Figure 5 illustrates how these areas relate to each other and cover three main topics:

- Timing and Spatial planning approaches
- The design of new market buildings
- The connection to supporting infrastructure.

Because it is also important that these aspects are considered together with decision making, management, and finance, they will be discussed further later in the case, in sections 4 and 5, respectively.

3.1 Location of the central markets

Market buildings may be the most visible side of markets, but probably the most important quality of markets is location. Historically, markets have been held at locations of high accessibility, where main roads meet. With motorized transport, this now leads to conflict, making it a difficult challenge to ensure good access and avoid congestion. Other aspects, which are hidden but essential, are services such as water supply, electricity, drainage, and waste removal. Figure 6 shows the timing of the main events connected to market redevelopment in Kumasi. The locations of the main markets as they were in 2023 after development is shown in Figure 7.

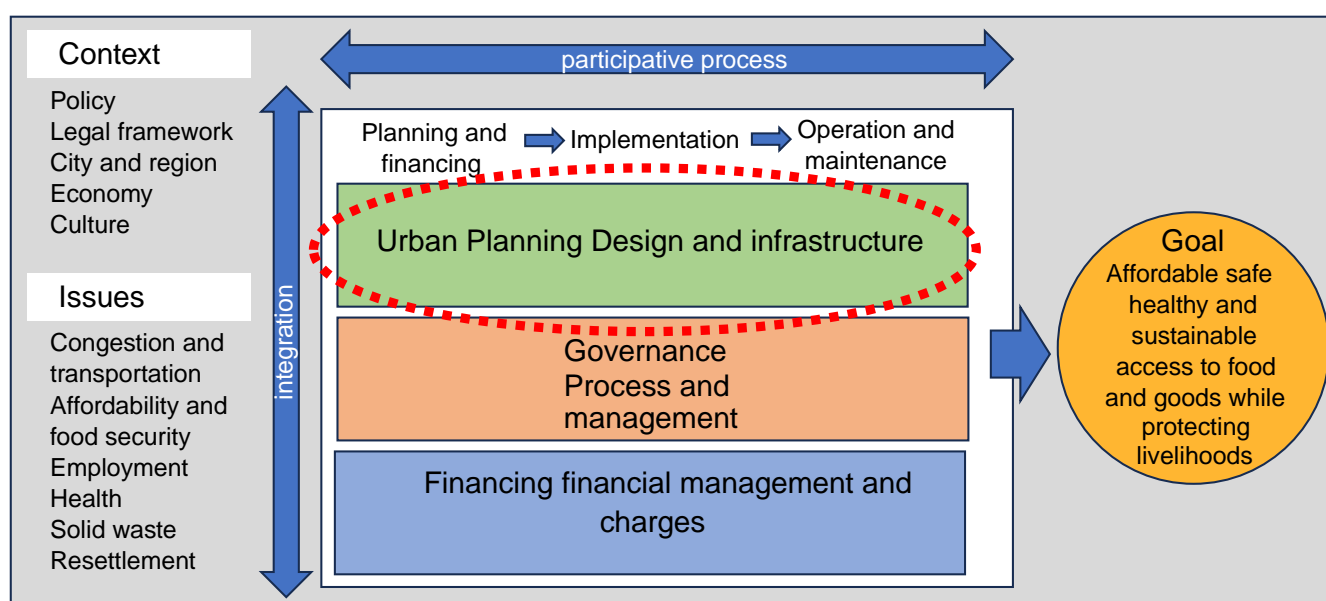


Figure 5. Focus on planning design and infrastructure (source: Forbes Davidson).

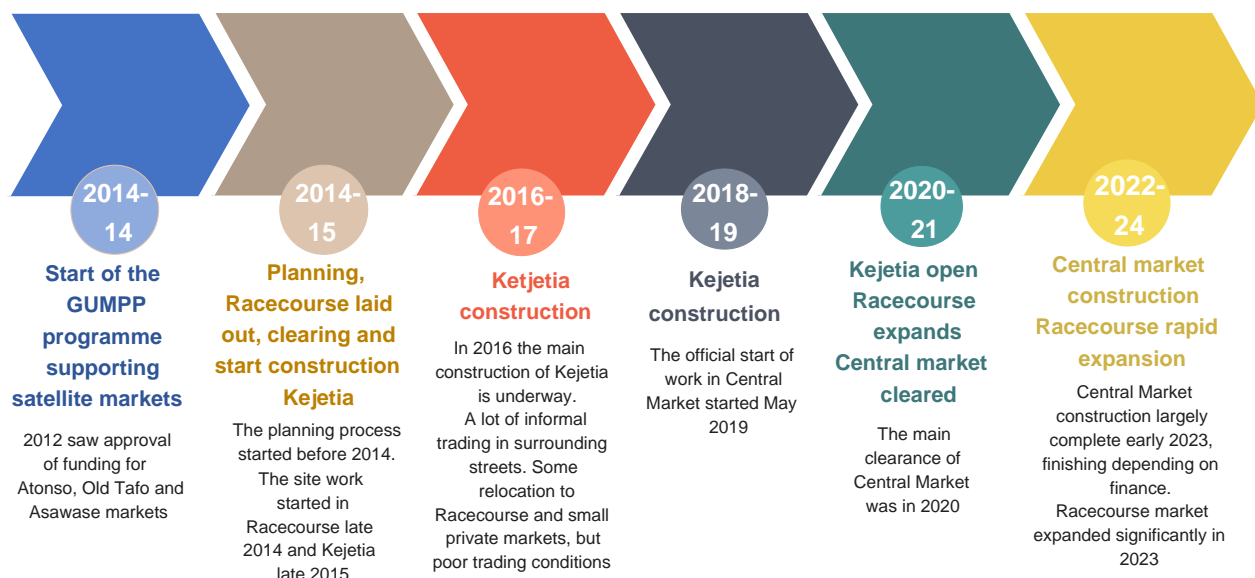


Figure 6. Timeline of Kumasi Central market redevelopment (source: Forbes Davidson).

3.2 Timing, land and spatial planning issues

3.2.1 The development of the Racecourse Market

The overflow to the satellite area known as Racecourse Market was used for the relocation of street traders from 2005⁸. It was further planned by the market development team, and the land was allocated by the traditional ruler⁹. The overflow traffic was slow to develop at the start because of poor access and limited infrastructure. This was given some support during the DEALS programme when better facilities were encouraged. The Racecourse Market developed significantly between 2014 and 2023 (see photos on the following page). As KMA staff, Head of Transportation, explained,

"The initial construction of Racecourse was done by Contracta, However, the traders have made a lot of modifications to the original construction. They have through their contributions put up stalls and roofed them for their members. With assistance from KMA, the Traders have also constructed pavements within the Bantama entrance of the market and got sections of the roads engineered."

3.2.2 Kejetia/Central Market

Phase 1 of the Kejetia/Central Market is iconic and is the most visible part of the development. But the planning and work involved had to start well before its construction, and its impact extends far beyond the building. The surrounding areas of Central Market were densely



Market buildings may be the most visible side of markets, but probably the **most important quality of markets is location**. Historically, markets have been held at locations of high accessibility, where main roads meet."



Figure 7. Location of Kejetia/Central Market based on Google Maps 2023.



developed, making it difficult to expand the market or to locate temporary use. The strategy was to use the Kejetia Lorry terminal – which was used as a market and as a transport terminal – to act as the first phase of development during the Central Market redevelopment. The problems that arose were that it was difficult to find a good, accessible location available for street traders or alternatives for transportation.

3.3 Design

The design solution for the Kejetia/Central Market (see aerial photo, next page) is a dramatic contrast to the old market. Two steel frame buildings of three to four stories were designed after a series of participative meetings. The statistics are impressive and are shown in Table 2. Kejetia/Central Market was designed by the Brazilian company Contracta, in consultation with local government and local stakeholders. Limited local inputs in design or procurement gave rise to issues related to operation and maintenance (O&M), however, as will be discussed further in section 4.

3.4 Satellite Markets

The overall strategy was to develop satellite markets to take some of the pressure from Kejetia/Central Market. A number of these satellite markets were supported by KMA and the Ghana Urban Management Pilot Programme (GUMPP) (Box 1) which aimed to combine financial support with the building of urban management capacity. Funding was approved in 2012. Two examples of satellite markets are the *New Atonso Agogo Market* in Kumasi and *Aboabo Market* in Tamale, another city in Ghana.

The New Atonso Agogo Market in Kumasi was designed in consultation with local traders, resulting in modifications and innovative funding. This is described further in sections 4 and 5. The Aboabo Market in Tamale was also supported by GUMPP (see photos of these markets on the following pages.) Discussions with market traders there resulted in the paving of the central courtyard for petty traders. This overcame problems with mud when it rained. Discussion with the private sector also resulted in a new building for private shops at the north end of the courtyard.



Table 2. Key figures for the new Kejetia and Central markets together with Racecourse Market

Topics	Original Central market 2020 prior to demolition in 2021**	Kejetia /Central Market (phase 1)*	Kejetia/Central Market (phase 2) Planned***	Racecourse Market*
Areas of land and developed space	133,546 m ² land area	156,437 m ² on 3 floors., 9138m ² 51,422 m ² land area	172197m ² construction area, 52701m ² leasable area	113,311m ² land area
Types of building	Sandcrete blocks, wooden structures	Prefabricated steel and concrete	Prefabricated steel and concrete	Sandcrete blocks, wooden structures
Shops lockable	14,500	7200	5,400	0
Stalls	18,000 stalls	1420	6500 leasable commercial spaces Stalls for 210 butchers and fish sellers, 40 stores for for livestock	12,000
Kiosks			800	
Open air	25,000	0	0	6500
Food court/ restaurants		60	50	
Toilets		yes	yes	
Parking		134	44954m ² of parking space	
Public transport		Minibus terminal		Bus terminal
Other	Not specified	Social services Police post Post office, fuel and gas storage, waste separation, sewage treatment.	Social services Police post, fire station, cold storage (5,400 spaces), Health center	Not specified, but DEALS projects aimed to improve the situation with a hostel
Cost		\$198 million	\$278 million	

*Sources: Source: Estate Office, KMA (2024); figures are contained in the Annual Report for Markets 2023.

**Kejetia registration and allocation report, (2015-2020), KMA

***Figures for phase 2 Kejetia/ Central Market plans from The Chronicle (2024).

Blank cells = information not available to researchers



New Agogo (Atonsus) Market, 2024 (MIT Gump)

Box 1. Participation in design supported by the GUMPP programme in market redevelopment in Kumasi

"Participative processes were used for the planning stage, implementation, and post implementation management.

"Kumasi had earlier held a market design competition which formed part of the initial design concept. A series of meetings were held with various stakeholders including the Market Committees, the traders, women groups, market queens, traditional authorities, and transport operators. The resultant designs were firmed up by the Assembly members or counselors and approved by the Ministry of Local Government, Decentralization and Rural Development. The ministry engaged design and supervisory consultants for the municipalities. Kumasi municipality had GUMPP Technical Team which coordinated all the activities of the project from planning through implementation to completion.

A Resettlement Action Plan (RAP) was prepared which included the social impact of the market redevelopment and grievance resolution procedures for the relocation of market traders related to market redevelopment. An Environmental and Social Assessment (ESIA) was also prepared on the markets. Biometric registration of traders was done by the municipality with the involvement of the various Market Committees, which validated the final list of beneficiaries.

The consultants also organized monthly Site Meetings which brought the Technical Team, the Market Committee representatives, the Counsellors of the beneficiary community and the traditional authorities, among others to participate in the implementation of the projects.

The GUMPP Technical Team also had review meetings on the projects which sometimes involved the stakeholders.

Monthly Progress meetings were held by supervisory Local Government Ministry...

On completion of the markets, the Market Committee played the lead role in sharing the shops and stalls peacefully."

Under the Asset Approach for the construction of additional shops it is said that every person has some form of talents or qualities which can be utilized for project planning, implementation, and management. This was used especially in deciding to construct additional shops at the New Agogo (Atonsus) Market. The traders owned the facility at the end of the implementation because they believe their views were respected and incorporated into the project."

Source: interview with KMA staff, report by Mr. Amankwah, GUMPP coordinator for the Kumasi Metropolitan Authority.



3.5 Planning for traditional/informal market development

Most focus of planning has been on the new buildings, but informal market development is the most difficult to plan for. Street trading under umbrellas and mobile trading (hawking) are the most traditional forms and sometimes the most common forms of market development. They represent valuable safety valves in terms of providing access for traders and shoppers, but this can come at the cost of congestion and sometimes unhygienic conditions. Because they fall outside of formal regulations, they are difficult for local governments to manage. The photos on the following page illustrate the amount of street trading around Central Market in 2021. In the aerial image, petty traders are indicated by the small dots of the umbrellas. Issues concerning the problems faced by petty traders and failure to engage them in early planning discussions have been identified in studies¹⁰. Action can be taken by making wider sidewalks or special areas, such as at Racecourse, provided that the trading conditions are good.

3.6 Market related infrastructure

Markets, whether indoor or outdoor, need infrastructure to function well for effective working and for health and safety. In Kumasi infrastructure issues being faced in markets are:

- Transportation related to the concentration of activities, congestion on the roads, use of sidewalks for selling and limited parking.

- Poor air quality due to high carbon emissions, especially from vehicles (this is mostly experienced in Kejetia, which is covered, and hence the fumes can stay in the market complex).
- Flooding at some of the markets as the drains get blocked with market refuse, which is dumped in the drains. Flooding has been a problem in both the new Kejetia/Central Market (phase 1) and Racecourse Market, highlighting the importance of safety.
- Fire: in 2023, fire broke out in the new Kejetia/Central Market (phase 1), and news reports quoted the fire brigade as saying that hydrant fittings were not compatible with the Ghana standard. In the expanded Racecourse Market, there was also a fire in 2023, and fire trucks could not access hydrants¹¹. Health issues related to cleanliness, the availability of clean water, toilets, cold storage for certain foods, and the effectiveness of cleaning and solid waste removal.
- Heat from lack of shade at the open-air markets.
- Limited facilities in some sections, where more waste is generated than the small containers can take. People also often prefer to dump their waste indiscriminately.

3.6.1 Link with transport planning

Accessibility of markets is fundamental, but at the same time markets can cause congestion and make themselves less accessible – so there is a difficult contradiction to resolve. As Randy Wilson, head of transport at KMA, explains,



"Markets are a major attraction for traffic. This includes the delivery of goods – requiring parking, public transport access for buses and mini-buses and parking access for shoppers. Where the market is central in the city, as with Central Market in Kumasi, the market traffic also conflicts with broader transportation needs. The extent of the need for traditional/informal trading also adds significantly to congestion. This makes the linking of market planning and transportation planning critical. Initiatives taken in Kumasi include:

- Promoting the development of satellite markets to reduce traffic to Central Market
- Integrating a new bus and mini-bus terminal into the Kejetia market

- Making space for taxi drop-off and pick-up
- Involvement of the university (KNUST) in studies to improve transportation.
- Buses minibuses access and parking."

"The old Kejetia bus terminal could cater for 1,000 – 1,200 vehicles but after the re-construction, the new terminal has space for only 108 slots.¹² Other routes have been moved to on street locations or to the Racecourse Market. ... This has the benefit of making trading locations at Racecourse Market more accessible."

"In all the markets, access is given for all vehicles including cargo vans, buses, taxis, and tricycles that do delivery of goods or private vehicles of shop owners or shoppers. The delivery times for lorries is limited. Parking facilities inside Kejetia/Central Market (phase 1) are limited and inadequate to cater for the capacity needed. Most markets have no specific areas dedicated for parking inside resulting in on-street parking. The main off-street parking facility is not well maintained and [is not] functioning very well resulting in congestion within the CBD as vehicles take long runs to find parking slots. Street parking is not paid, so parking charges cannot at present be used as a management tool. "

This demonstrates the importance of the transport connections, but also the difficulties of implementation. The moving of transport connections to near Racecourse



Market does have potential for synergy with market activities if better developed, as this brings more people to the market, making it a better trading location.

3.6.2 Solid waste planning and management

Markets are producers of a lot of waste, so waste management is critical to ensure a healthy environment. The local government (KMA) is responsible in ensuring solid waste management is carried out effectively. Assemblies in Ghana largely outsource waste management services due to the high capital outlay in securing and maintaining the equipment.

A private supplier "Zoom Lion" is contracted for the markets they contract, according to Randy Wilson, head of transport at KMA:

"KMA engaged the private sector for waste collection in some markets. The municipality coordinates the dumping site [...] Zoom Lion does central market actual collection. KMA supervise and monitor and make sure the private contractor does what it is contracted to do".

[. . .] for solid waste, skip containers are provided at vantage points within the markets. These are emptied daily by the Waste Management Department of the Assembly. [however, there are] challenges [including]: some people push skips or waste containers away from the designated spots because they claim those locations to do their sales on pavements. ... [Others] prefer to dump their waste indiscriminately. Some [. . .] even bring their waste from home and dump them when entering the markets."

"For human waste, toilet facilities are provided on all the markets to which patrons pay a [limited] amount of 1ghc to urinate or 2ghc

when they use the toilets. This works very well as it provides a ready service to those in need. Caretakers are available always with other cleaners who periodically clean the facility after every 2 hours of use. Most of these have been given out on contract; some from reconstruction of the facility through to its management whilst others are just under management services contracts. It is a good revenue generation point for both the KMA and the outsourced companies that man the facilities".

The system is mixed and includes elements supporting a circular economy, as follows:

A. Collection

1. Door to door involving compactor trucks
2. Communal collection involving skips and skip loaders and
3. Curbside collection involving tricycles

B. Treatment and disposal

Waste is treated and prepared for recycling at a new privately run facility, which features tunnel-based composting.¹³ It includes:

1. Composting of organics
2. Recycling
 - Removal of various grades of plastics for processing
 - Removal of metals for recycling
 - Removal of bottles for recycling
 - Removal of textiles for recycling
3. Landfilling of residual waste

In addition, a circular economy hub was established during the DEALS programme. This was the Kanko circular economy hub, which provided training and a location to promote circular economy initiatives.¹⁴

3.6.3 Electricity

Electricity provision is by the Ghana Electricity Company, which aims to install meters in each shop unit and in sections of the markets. A lack of meters in New Kejetia has led to problems with electricity payment, as noted in a report on the project:

"For the new Kejetia, there are no separate meters for the shops and hence, the bills are shared among the various shops to pay. This results in situations where there are power cuts since a huge number of them default on the payments."¹⁵

4. Governance: Management, Stakeholders and Participation



This section focuses on *governance* of market development and operation. Governance essentially deals with how the people involved, the *stakeholders*, relate to each other in how plans and decisions are made. This section looks at who is involved in *public market management* planning and implementation in Kumasi and how their relations are managed. It will discuss the management of public markets, including coordination between local government departments and the role of stakeholders in the process.

It will also discuss the *participative process* of planning and its management, with a focus on relocation and resettlement and capacity building. Figure 8 illustrates how this section fits into the overall management and development process.

“

To be successful, participation must be well prepared and be a **genuine process**.... Local government must manage the interface between individual interests, group interests and the **overall goal of achieving good public markets**. ”

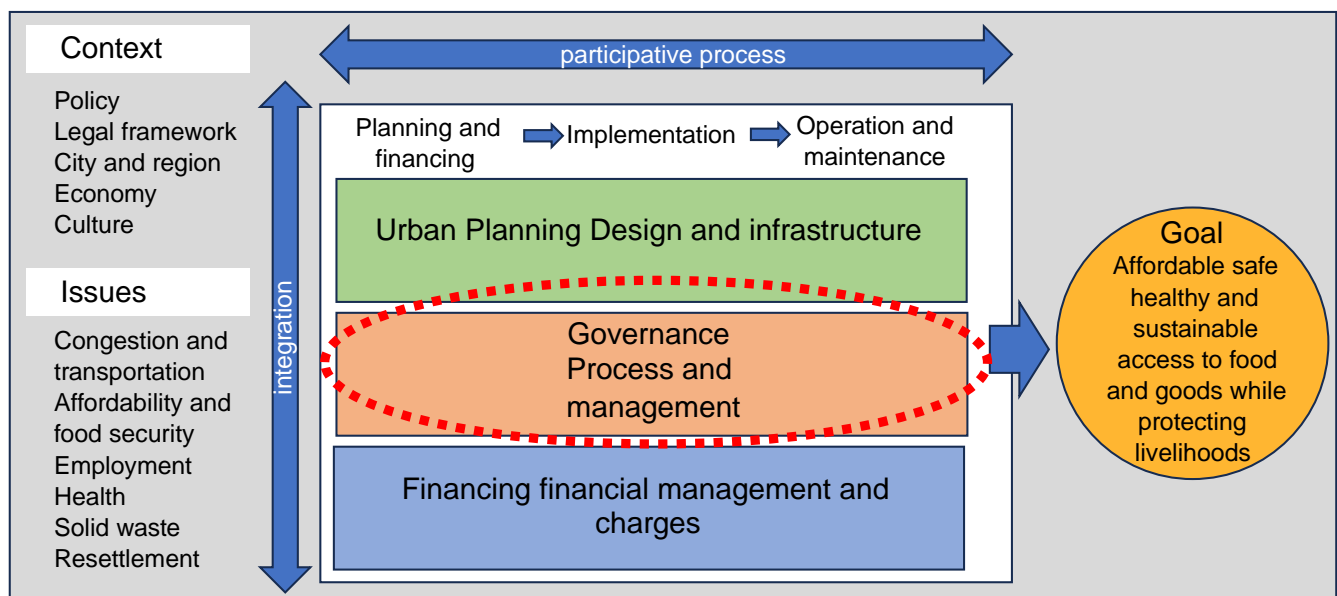


Figure 8. Focus on governance (source: Forbes Davidson).

Kumasi KMA organogram related to market functions

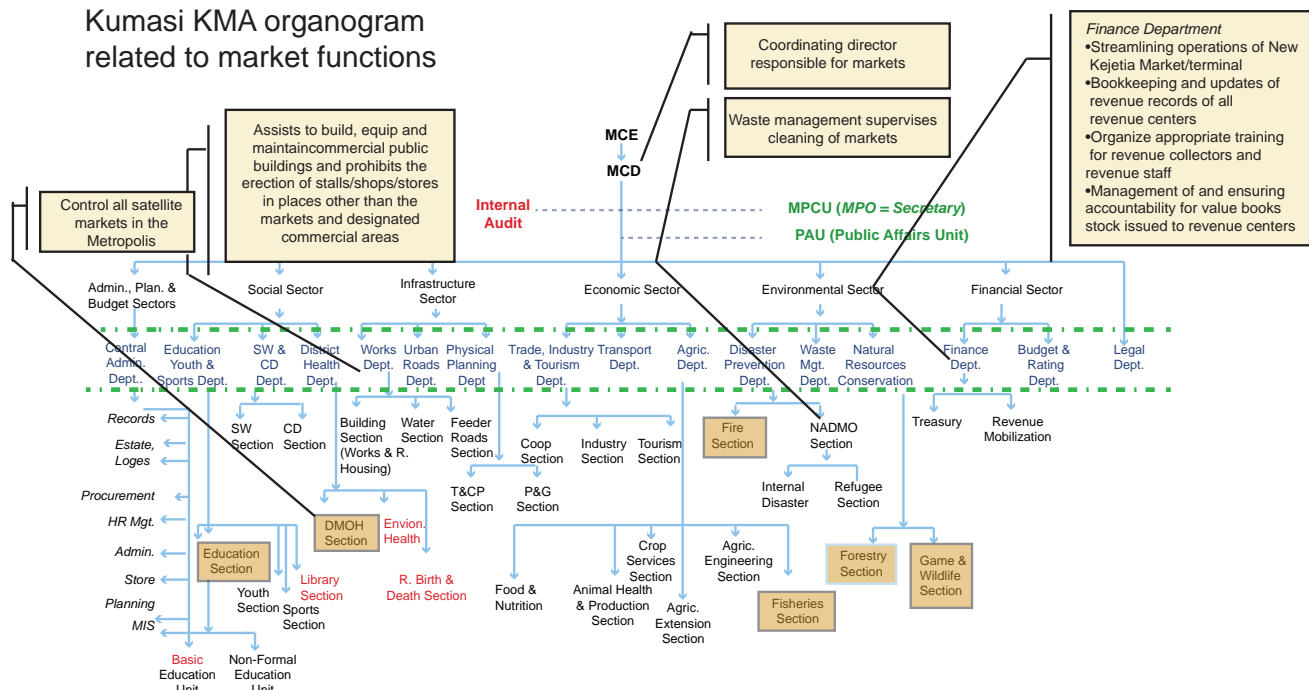


Figure 9. Market-related functions related to organogram of KMA, based on KMA manual 2023.

4.1 Management of public markets and their development

4.1.1 Local government role in market management

At the level of an individual market KMA can directly appoint a market manager or set up a management contract. For example, the New Agogo (Atonsu) satellite Market, is managed by a market committee and supervised by KMA.

Local government, in Kumasi (KMA), manages the various markets by different means. The official who has overall control is the *Coordinating manager* who is responsible to the mayor and coordinates the work of the different departments. This is illustrated in Figure 9, which also indicates the other departments involved. A market committee advises on issues concerning markets. The market committees are formed of representatives of interest groups, including traders' associations. The traders' associations are set up by traders with common interests. Market queens are involved in the market committees.

4.1.2 The role of market queens

At the level of individual markets, a market manager liaises with the "market queen". Each public market has a market queen who represents the interests of the traders. She is normally an experienced trader who has spent a long time in the market and who has the respect of other traders. She liaises with the market manager and is key to the allocation of spaces and the settling of disputes among traders. There are also queens for

different products, for example, yams, tomatoes, maize, cloth. In all cases, the market queens have the role of protecting the interests of the traders they represent and managing internal relations within their groups.

In the food supply chain market queens are important as an intermediary between small farmers and urban consumers and, as such, have an impact on food security and on food prices¹⁶. One study suggests that the market queens "represent a crucial link to producers and are decisive to guarantee food availability and stability, especially for urban consumers"¹⁷. It concludes that market queens are very important in providing support to often vulnerable female market traders. Other studies suggest that market queens have a strong role in setting prices, and that this impacts small farmers¹⁸, though conclusions differ on whether this is a problem.

In terms of participation, market queens are normally involved in participative meetings on market management and development issues. Women have traditionally been the main traders for fruit, vegetables, and cloth in Ghana. For certain products, especially meat, men are the key players, and in this case, an experienced person becomes a chief for that product.

4.2 Private sector participation in management

The private sector has an important role in public markets in Kumasi. It is involved in the management of markets, in the provision of services and in the funding, design, and construction of redeveloped and new markets. This is in addition to building and operating private markets.

There is a new management model for Kejetia/Central Market (phase 1). In Kejetia/Central Market the market manager is employed by a management company set up by local government (Box 2). Box 2 summarizes an interview with the manager of Kejetia/Central Market (phase 1) mentioning lessons that will be applied in phase 2. The situation described illustrates both the necessity to ensure that buildings fit local needs and the issue of paying for O&M.

The challenge for local government in Kumasi is to use the potential of the private sector, while maintaining the overall public interest. There are four models of management structure involving the private sector in use in Kumasi:

1. The municipality manages the market.
2. The municipality manages the market together with the private sector.
3. The private sector manages the market, but the market building remains an asset of the municipality.
4. Traditional or informal markets

The advantages and disadvantages of these four models in Kumasi are presented in Table 3.

The private sector role in financing markets is discussed in section 5, and additional financial aspects are discussed in more detail in section 5.3.

4.3 Coordination between local government departments concerning market development

In this section, we look at the importance of cross-departmental and inter-municipal collaboration and the steps taken in Kumasi to improve this, as related to market redevelopment.

Market development involves much more than the market buildings and their management. In practice it is linked to urban planning; public works; housing; finance; building inspection; solid waste; transportation; public health; fire and environment.

The importance of cross-departmental coordination was recognized by KMA. They arranged assistance to improve coordination with DEALS, a programme supported by the Netherlands association of local governments (VNG). This supported regular cross-departmental meetings to coordinate actions, including market development. It also organized training to support more integrated cross-departmental and inter-municipal working. Another support programme, GUMPP, also provided support for the improvement of municipal management, including investment in satellite markets in Kumasi and elsewhere in Ghana¹⁹.

In Kumasi, departmental coordination started at the policy level. A Kumasi local government staff member describes it as follows:

“Different government departments may have responsibilities for formulating policies that impact markets. Coordination ensures that these policies are aligned and work together to create a supportive environment for businesses. In this case, the Department(s) with the greatest responsibility is (are) made to lead in the process while the others act as support. The experience led to the creation of a system within the Assembly that made it possible for various departments to know in detail what the others were doing.

The Assembly set out a policy to make all projects and actions to be known by all management staff. This was done to ensure that

Table 3. Advantages and disadvantages of models of private sector involvement in management of Kumasi markets

Management form	Advantages	Disadvantages
Municipality	Direct control Relatively low cost	May be difficult to hire good staff.
Municipality plus private sector	Have overall control Able to have partner who is accountable. Potentially can pay more to attract high quality staff	Need capacity to monitor and manage. Have less leverage if there is no compensation. Likely to be more expensive
Private sector	Clear and accountable (in theory)	Difficult to regulate, especially if have a monopoly. Limited local government experience in managing PPPs. More difficult to ensure affordable charges.
Traditional/ informal (no formal private sector involvement)	Requires only moderate management and infrastructure. Flexible to cover deficiencies in formal provision. Low cost and affordable.	Can create congested conditions, vulnerable to fire if not planned and managed. Difficult to recover costs of investment to improve hygiene. Lacks safe storage and facilities for health and hygiene.

Box 2. Interview with the Kejetia Market Manager

Interview, February 2024

Question: What is the core business?

The core business of Kejetia Market Management Contract Company is to protect the market structure and maintain it and be in good shape since it is the first steel market structure in Africa [. . .] To manage the traders and promote the wellbeing of the traders. The company has a perfect relationship with the users of the facility - the traders [. . .] To mobilize enough revenue to pay back the investment - [the] payback period is 25 years."

Question: What challenges have you faced in managing the structure

"Air curtains need to be maintained [. . .] Lack of maintenance companies with the needed equipment to handle the facility [. . .] During the handing over, the oversight committee should have asked the contractors to hand over some of the lifts for cleaning and servicing purposes. This has been taken care of in the phase 2. [. . .] "Pipe works were imported from Brazil. Difficult to maintain and need to be replaced with local ones. Local pipes are used in phase 2. [. . .] We had issues in maintaining certain machines, e.g. the lifts, because they were in Brazil (Portuguese) language. [. . .] The drains are being choked by how the traders handle them by pouring in their liquid waste."

Question as any maintenance agreement at the planning stage

"here was an agreement that the contractors would manage the market for 5 years after completion. However, the amount they were requesting for was huge....so, the agreement was withdrawn."



"The model that is currently in used is that the company should retain 20% of the premium figure to maintain the structure and it should be paid in 5 years - the operation maintenance to be borne by the traders - 20% over 5-year period."

In Phase 2, the Redevelopment of Central Market, the O & M by users will be paid upfront - you pay you enter (no payment, no entry).

On electricity:

"The Kejetia Market facility was given one bulk meter. In Brazil they give light in square meters, but it is not done so in Ghana. The Management Company is working with the Electricity Company of Ghana (ECG) to install individual meters for the shops. This has been catered for in phase 2. Solar would be the primary source of energy for phase 2."

"A mechanized borehole has been constructed. This was sunk to resolve the high cost of water supply. It has been incorporated into the design of phase 2 with water from Ghana Water Company (GWC) being a supporting option."

Conclusion:

"In terms of management of the Kejetia/ Central Markets, they are going to be under one company, the current [. . .] A Chief Executive, with three general managers (Operations & Maintenance, Technical, Finance and Administration)"

knowledge was shared among the staff and support is given by all. The process ensured that synergies were drawn easily, and this allowed for better use of the limited resources available. For example, where a meeting for one purpose which has resources for implementation, is joined by other project officers who come in to make presentations, especially if the targeted participants are almost the same.”

This facilitated discussion of connection, for example between transportation plans and the transportation aspects of the markets.

Regarding the level of markets, the Kumasi government staff member elaborated further:

“Under GUMPP, the departments whose activities impact the market (e.g., Planning, Works, Waste Management, Central Administration and Physical Planning Departments) were brought in as part of the core team. Others like Metro Road, Transport and Estate Departments [...] Water, Fire service, Land Valuation Unit were brought on board as and when their inputs were needed”.

There was also collaboration between neighboring municipalities that are part of the greater Kumasi area. This was promoted under the DEALS programme, supported by the Association of Dutch Municipalities (VNG):

“The same principles were used under the DEALS project, making use of a core team from management, and adding on as and when necessary. The DEALS project, which aimed at decongesting the CDB also assisted in bringing other Municipalities in the greater Kumasi area into signing ‘deals’ among themselves to ensure that various Assemblies collaborate and/or support the activities being carried out in the one with the greatest comparative advantage to succeed in the endeavour.”²⁰

A representative from VNG International added, “In July (2021), the Assemblies signed onto a collaborative approach to address the congestion and other challenges faced by the city of Kumasi. The approach is led by KMA with the support of The MoU’s (memoranda of understanding) set out the roles and conditions between the Assemblies, which are established for the next 10 years”²¹.

In terms of infrastructure development, KMA staff involved with support programs explained that the “same principles were adopted where the Physical Planning,

Works and Roads officers were the leads when the infrastructure aspects of the project were developing with the Estate and Planning Officers providing the needed support.” While for financial aspects, the same staff members noted: “Coordination is necessary for aligning financial support programs aimed at assisting businesses. This includes grants, loans, and other financial incentives that promote market growth, especially for small and medium-sized enterprises (SMEs)”²².

After the initial DEALS project support, which ended in 2022, the improved coordination has continued, though on a less regular basis and with attendance being based on the issues discussed. The integrated work was also supported by the university, KNUST, in relation to transportation planning and assistance in making an application for international development funding for transportation.²³

4.4 Non-government Stakeholders

An important part of the management of markets is the balancing of the interests of the different stakeholders. In addition to central and local governments, here is a brief outline of the main groups and persons involved in Kumasi.

The traditional ruler: The land is held by the Asantehene (King), and approval is necessary before its use is allocated.

The public: Public markets are set up to be a benefit for the public. It is important to ensure that the views of the public are known and considered.

Market traders:

- *Market queen/product chiefs*—(role described above)
- *Shopkeepers*—This group have permanent lock-up shop units. They are interested in being able to trade profitably and in market conditions.
- *Stallholders*—Stallholders are mainly women. They have a long history of trading in the formal public markets. They are interested in being able to trade profitably and in market conditions.
- *Street vendors, also known as “petty traders”*—This group is the most numerous. Some vendors have semi-fixed locations and trade under umbrellas on sidewalks and sometimes on the street. Others are itinerant, often known as hawkers, and sell to pedestrians, bus passengers and motorists. This group is more likely to be left out of official participative processes.²⁴ Again, they are interested in being able to trade safely without harassment.



- *Market committee*—For Kejetia/Central Market, market committees have been established to represent traders' interests.
- *Market traders' associations*—For Kejetia Market, there are separate associations for both the formal traders and the petty traders. They aim to look after the interests of their members.

Infrastructure companies: Electricity is supplied by the Electricity Company of Ghana. They want to be paid for services provided. Ghana Water Company supplies water.

Transportation:

- Bus and mini-bus owners—need locations to pick up customers.
- Lorry owners—need parking spaces to load and unload.

Nongovernmental organizations (NGOs), community-based organizations (CBOs), and Financial and development institutions: Large scale rebuilding requires significant funding for major market buildings. Funding from development institutions needs attention to the

social and environmental aspects in addition to financial viability. The sources of finance must be involved in the process from an early stage. Financial and development organizations involved in Kumasi include:

- *Contracta*—Contractor employed by Brazilian Government to design and build the Kejetia/Central Market as part of an aid programme. Later, for Phase 2, the work was done by the UK branch.
- *Deutsche Bank*—A key funder of the redevelopment of Central Market. Interested in financial viability. After financing Phase one in 2019, Deutsche Bank announce in 2022 the closing of a new lending facility to finance Phase two of the Kumasi Market redevelopment project, together with the UK Export Finance Agency (UKEF) and African Export-Import Bank (Afreximbank). Both Deutsche Bank and the UKEF stress its social as well as economic benefits²⁵.
- *The World Bank*—is an organization with strong development objectives. It is very sensitive to impact on the urban poor and seeks to have displacement minimized and managed according to an approved resettlement plan. In Kumasi it is involved in a potential transportation project that has strong links with the market development. This is at the concept assessment stage, but social and environmental risks are flagged, emphasizing the importance of addressing these issues in the planning and implementation if international support is desired.
- *Agence Francaise de Development (AFD)*—is involved in funding market development through GUMPP. It is interested in linking financing to improved urban management and being relevant to poor sections of society.
- *Netherlands Local Government Association (VNG)*—with support from the Netherlands Government, implemented the DEALS programme to support Kumasi in improving governance related to market and transportation redevelopment.

University: The Kwame Nkrumah University of Science and Technology (KNUST) has been active in cooperating with KMA and development organizations with supporting research in areas linked to the markets such urban planning and transportation. Their interest is to be able to pursue funded research and to provide opportunities for their students to gain experience.²⁶

Other specific groups who need to be considered in market development:

- *Youth*—are involved in several ways. Girls often support and are trained in trading by their mothers. Young men are most often involved in hawking.

- *Informal sector*—In Ghana, 82.6 % of the non-agricultural labor force is informal according to ILO; in Kumasi, 80%. Nationally, 80.9 % of women are informal workers, compared to 52.5% of male workers²⁷.
- *The poor (women and men)*—Public markets and informal selling are very important for the poor – both as a source of income and of food and goods. Where funding is sought from donor organizations, they will often ask for a “poverty impact analysis” to check whether proposals have taken the impact on the poor into account.

4.5 Participation, process, and management

We now examine how participation in planning has been implemented related to the market developments described in section 3. The participative process (Figure 10), influences how things are managed over time, from the initial planning through to O&M. This process has proved to be very important in the Kumasi situation where there have been many tensions related to the redevelopment of markets. This is especially important because temporary locations need to meet their clients’ needs and thus maintain traders’ income. Displaced traders also worry about getting a trading location once redevelopment is completed.

Within local government in Kumasi, the conviction is expressed that to be successful, participation must be well prepared and be a genuine process. Sound processes are also important for attracting socially oriented funders.

Local government must manage the interface between individual interests, group interests and the overall goal of achieving good public markets. This is one of the most controversial areas, as many people are involved and, despite efforts, the process is rarely satisfactory to everyone. We look at the experience of participation in the planning of market development in general, and we focus on relocation and resettlement management as a difficult aspect to manage well.

A local government point of view included the following statement:

“Just ticking boxes is not useful but you need to really get people involved, you need to manage people to act. You must manage the process, manage meetings, manage management.”

Another colleague added:

“With regard to the relocation committee linked to market expansion we intentionally put some union leaders to be part of selecting stakeholders. We had to have meetings before the meetings to prepare well. Stakeholders need to be engaged with in advance (i.e. preparation of the meeting) each time teasing out important points and then building them into the agenda- to be able to guide and manage the meeting itself. For example, bringing in the traditional leaders but discussing well with them in advance. We advise to do the best to make sure of informing and being informed in advance of a participative meeting.”²⁸

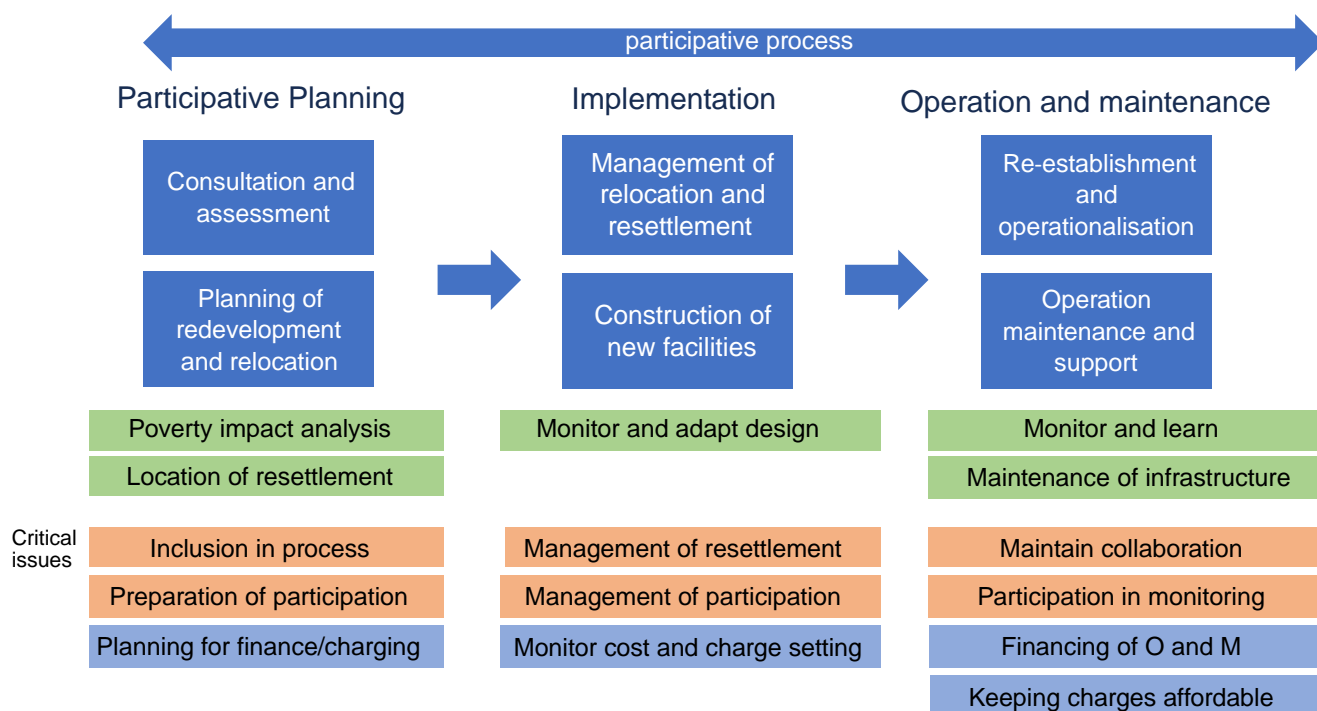


Figure 10. Main stages of the process for market development related to important action areas (source: Forbes Davidson).

And:

"The active involvement of key stakeholders from the markets especially the market women including their market Queens, traders in general, the Traditional Authorities, the Market Committees, various market associations, transport operators and the local authorities, among others, is the main key for unlocking project implementation issues. They are the catalyst for successful implementation in Kumasi."

4.5.1 Participation aiding identification of traders before relocation

A very sensitive subject with market development is the identification of traders who may not have formal papers for identification. This was discussed with traders in the GUMPP assisted market projects, and it was agreed to use biometric data in managing allocation of market stands after redevelopment. The results of this discussion were summarized the GUMPP team supervising the project as follows:

"The use of the biometric registration brought authenticity to the whole process as people who claimed to be owners were properly identified. Those who were renting the shops were also known whilst others who had been shop attendants to some families but have been acting as owners were all known. This process helped to solve some of the problems that existed among family members, rental occupants and others were all clearly noted and some of the issues were resolved. Other people who were making use of pavements and walkways within the market as hawkers were all registered and most of them had the opportunity to legally acquire spaces they could use to trade."

Another trader gave this description of the process:

"We had interactions with the Kejetia Associations Committee. There are various associations seeking the interests of the traders. These associations came together to form one coordinating Committee with representatives from all the associations. The committee has total membership of forty (40) with fifteen (15) women. There are also sixty-eight (68) queen mothers who are also a force to reckon with – they are the leaders of the various items sold in the market, e.g., yam, fish, plantain, etc. Almost all our markets in Kumasi have queen mothers."

An important aspect of participation is the stage at which people get involved. Lack of involvement, especially of

petty traders in the early stages of Kejetia/ Central Market phase 1, caused problems, as noted in the interview with the Kejetia Associations Committee:

"The engagement with the Committee revealed that they were not actively involved in the planning but the later part of the implementation. For example, they were not fully involved in the relocation (planning) initially and therefore that created confrontation between the municipality and the traders."

The traditional rulers have an important role in helping to overcome problems, as they have a lot of respect in the community, as was also expressed in the meeting with the Kejetia Associations Committee:

"It took the intervention of the King of Asanteman and the Manhyia Palace to settle the near protracted confrontation. The role of Traditional Leaders in market development is critical and cannot be glossed over".

A further lesson was shared from the same interview,

Another important lesson learnt from Phase 1[Kejetia/Central Market] has been incorporated into Phase 2 – the involvement of the market stakeholders from planning and implementation [stages]. Phase 2 is progressing smoothly"-

As an input to this case study, a meeting was held with the New Agogo (Atonsu) market committee to discuss their operation, as summarized in Box 3. New Agogo (Atonsu) is one of the GUMPP assisted markets.

4.5.2 Facilitation of stakeholder engagement

The quality of stakeholder engagement in the design of upgraded markets and the relocation/ resettlement process is one of the important lessons from Kumasi. A KMA official described the process of involving multiple departments in participatory meetings:

"During the engagements with various stakeholders, including industry associations, advocacy groups, and local communities, to gather feedback, address concerns, and build consensus on market-related initiatives, the team were given specific roles to play. Here the Assembly's Public Relations Unit and the Administrator on the team were the main face of the Assembly. They coordinated activities and ensured that each officer who had the relevant information was made to present. During or after presentations, when questions come up, any of the officers, who could add more flesh to the question then takes over and rolls through."

Box 3. Interview with the New Agogo Market Committee 2024

"The Committee is chaired by an Executive Chairman supported by part time office staff. The committee is made up of representatives of the various items sold. Most of them are the market Queen Mothers who are females. They meet on Wednesdays. They are responsible for the day-to-day management of the market with the oversight responsibility by the Asokwa Municipal Assembly.

The Municipality is responsible for revenue collection at the market. The problem of maintenance is cropping up. According to the chairman of the committee, the Municipality collects the revenue whilst the Committee maintains the facility from their meager resources.

Electricity:

Every shop has its own meter. However, the sheds depend on the streetlights. Attempts are being made to connect lights to the sheds and the cost of the light used per month shared among the occupants of the stalls in each shed.



Issues with parking:

The traders and the patrons of the market have been battling with inadequate parking space. This causes traffic jams since the traders, patrons and transport operators struggle for space. The New Agogo (Atonsu) market is strategically located along another AFD project, the Lake Road Extension. The construction of the road was influenced by the market redevelopment.

Suggestion by the Market Committee:

The leadership of the market is planning to develop adjacent land behind the market for parking purposes. This is being used as a temporary refuse site. The current parking spaces are not adequate for the volume of vehicles. The market was strategically located and redeveloped. Financial Support is seriously needed. The refuse area within the market has been moved there [adjacent land]. This is to protect the market floor which was waterlogged and a former dumping site for broken bottles from the breweries and was specially designed - from the impact of the refuse trucks. The refuse site has been converted and is being used by Fishmongers for the smoking of fish and for the pounding of Fufu. The market is neatly kept. The Market Committee must be commended."

Conflict Resolution:

The committee is also responsible for resolving conflicts in the market. Where the committee cannot handle, it is then referred to the municipality for redress."



4.6 Capacity and capacity building related to market management

Coordination, collaboration, and participation require a conscious effort to build the capacity of all stakeholders involved. Capacity building is broader than training and includes sharing and access to information, and access to learning experience. Here we describe Kumasi's initiatives.

An example of the usefulness of local capacity is that Kumasi was relatively successful in approaching the International Municipal Investment Fund (IMIF) of the United Nations Capital Development Fund (UNCDF) for funds to support investment related to transportation and markets. They got quite far in the process, despite strong international competition, because, among other

things, they showed the ability to prepare and make a pitch and had an integrated approach.

KMA has recognized the importance of capacity building and has allocated its own funds and utilized donor funded programmes to support efforts in Kumasi. Examples of recent capacity building activities and their funding are shown in Table 4.

4.7 Decentralization of markets

Two forms of decentralization affect the markets in Kumasi. The first is decentralisation from the national level and second is decentralization within Kumasi²⁹. Both share common characteristics.

4.7.1 Decentralization from the national level

The policy of decentralization of markets to Metropolitan, Municipal, and District Assemblies (MMDAs) in Ghana aims to transfer the control and management of markets from the central government to local authorities. This offers significant potential benefits, including enhanced local governance, improved market conditions, and economic growth. However, this has also posed challenges, such as capacity issues, risks of corruption, and potential economic disparities.

Advantages

For *Government and Governance*: Local governance has been enhanced, especially in the case of the satellite markets. The decentralization process has empowered local authorities to make decisions tailored to their specific needs and conditions, leading to more effective and relevant governance. This has resulted in increased accountability, with the local authorities being more directly accountable to their constituencies, which has also led to improved service delivery and responsiveness. In terms of resource allocation, there has been improved efficiency, with the local governments being able to allocate resources more efficiently based on local priorities and needs, leading potentially to better maintained and more vibrant markets. The process has also reduced the bureaucratic layers between decision-makers and implementation, speeding up processes and reducing red tape. In Kumasi there has been growth and improvement of the quality of satellite markets, but it is not yet possible to have evidence to show the impact on congestion, as the Central Market development is not yet complete.

For *Traders*, this has meant better localized support and services. Traders can now receive more tailored support and services from local authorities who are more attuned to their needs and challenges. There has been infrastructure improvement based on local oversight, which has been able to be more focused on improving market infrastructure, such as sanitation, security, and utilities.

Table 4. Capacity building initiatives related to market development in Kumasi.

Capacity building initiative	Target groups	Comments
Training in cross sectoral coordination	KMA department heads	Supported by the DEALS programme
Training in managing private sector participation	KMA department heads	Supported by DEALS programme
Training on post-harvest losses	Women vegetable traders and agriculture commodity-based women traders	KMA supported, organized together with market Queens *
Training of market fee collectors	Market fee collectors	Proposed training related to the experience with GUMPP supported markets
Sensitization on local governance	Women's associations	Organized by KMA
4-day training on inclusive governance	Unit committee members of Kumasi Metropolis	KMA supported by DEALS programme
Study visits to Brazil, Rwanda and Benin	Heads of relevant departments	Supported by GUMPP and DEALS

* Capacity building activities are included in the annual action plan, for example of 2023.

The decentralization process has resulted in enhanced participation by the traders, providing them with more opportunities to participate in decision-making processes, ensuring that their voices are heard and considered in policy formulation.

For *Buyers*: this has meant improved market conditions, with the primary one being better infrastructure. Improved infrastructure and services have enhanced the shopping experience, making markets more attractive and safer for buyers.

The decentralization of the responsibility of markets to the MMDAs has potentially contributed to the stimulation of the local economic growth by fostering a more vibrant and well-managed market environment. The improved market conditions have attracted more traders and businesses, leading to job creation and economic diversification.

Challenges

For *Government and Governance*, the key issue is that of capacity: some MMDAs lack the necessary expertise, experience, and resources to effectively manage markets, leading to inefficiencies and mismanagement. This in turn can result in varying standards of market management across different regions, potentially leading to inequalities. There is also the risk of local corruption. Increased local control can sometimes lead to greater opportunities for corruption and mismanagement at the local level, if adequate checks and balances are not in place.

Table 5. Change of local government for GUMPP markets.

NO.	NAME OF GUMPP MARKET	CURRENT MUNICIPALITY/ ASSEMBLY
1	The New Agogo (Atonsua) Market – Southern Trading Centre	Asokwa
2	The Asawasi Market – Central Trading Centre	Asokore Mampong
3	The Old Tafo Market – Northern Trading Centre	Old Tafo

The main concern is that the decentralization process can exacerbate regional economic disparities, if some MMDAs are more effective in managing markets than others. There are also sustainability concerns. Without proper planning and support, some markets might struggle to sustain themselves, leading to closures or decline.

4.7.2 Decentralization within Kumasi

Decentralization of the markets within Kumasi has been a key part of the strategy to reduce congestion in the center. However, for the Metropolitan Assemblies, the creation of new municipalities created ownership challenges for the mother municipality, as happened to the Kumasi Metropolitan Assembly under GUMPP. All the priority investment projects (markets) started under the Kumasi Metropolitan Assembly are now in different municipalities (Table 5). This makes it more difficult to have a unified approach, as it requires more effort to align strategies within the metropolitan area.

For Traders the key negative issue is the fear of inconsistent levels of support and services, depending on the capacity and priorities of their local authorities. Another issue of concern is that of increased costs: The imposition of new fees or taxes to generate revenue, which could increase operational costs for traders is a major concern.

Traders have also faced transitional issues: The transition from central to local control, or from metropolitan to municipal control in the Kumasi case, can be disruptive, with potential initial confusion and disruptions to market operations.

For Buyers the key issue is “variable quality”. The quality of market services and infrastructure may vary significantly between neighborhoods and municipalities, affecting the shopping experience for buyers. There is also the concern that increased costs for traders can be passed on to buyers, potentially leading to higher prices for goods.

The following section moves from management, participation and capacity to the financial aspects of market development.

5. Financing, Financial Management and Charges



Developing and redeveloping public markets costs money. Where does it come from? Does it have to be paid back and if so, how? How are buildings maintained? These are all major challenges with long-term implications. This section examines the strategies employed in Kumasi to address financing, financial management, market fees, and levies, as well as how Kumasi has dealt with these difficulties. Here, the discussion primarily focuses on finance-related topics, although links to the governance and physical aspects are also covered. This section explores the following main topics:

- Major sources of investment – good practice in preparing for requests for support, and for repayment
- Setting affordable charges – process to set and revise charges and how the revenues are used.
- Working with private finance without compromising on affordable charging
- Balancing needs for financing of O&M with demands for municipal revenues

5.1 Financing vs. Funding of public investments

This case-study looks at the experience of **financing and funding** market projects in Kumasi. To understand this, some explanation is needed of the distinction between the terms “financing” and “funding”.

Financing refers to the money needed to meet the up-front payments for public investment. Financing sources typically consist of borrowing (from commercial banks, the central government, or other financial institutions), PPPs or institutional investors.

Funding refers to how the investment is ultimately paid for (loans repayments, PPP payments or investors returns).



Developing and redeveloping public markets costs money.

Where does it come from?

Does it have to be paid back and if so, how? How are buildings maintained? These are all major challenges with long-term implications.

Funding typically comes from taxes, intergovernmental grants, fees, tariffs other mechanisms such as capturing land value, commercial activities, etc.

The two elements are interlinked, and both are needed: If local government (MMDAs) are in theory allowed to borrow (financing), but do not have sufficient capacity to increase their future revenues (funding) to repay the debt, they will, in practice, not be able to borrow.

In Ghana, the Metropolitan, Municipal, and District Assemblies (MMDAs) operate within a structured framework that outlines their duties, funding sources, and regulatory requirements related to delivering services and developing infrastructure at the local level³⁰. Local governments operate creatively in a complicated context to meet infrastructure development targets set by both



their people and the central government. Figure 11 illustrates the connections to the other topics.

5.2 Costs and Financing of Markets

Given the initial costs involved in investment, MMDAs have a hard time funding and financing markets. Local governments in Ghana have five principal sources of income to fund and finance service delivery and investment in infrastructure. These are:

1. **Decentralized transfers**—grants transferred by the national government to the MMDAs, including the District Assemblies Common Fund.
2. **Internally generated funds (IGF)**—own-source revenue or income collected from licenses, fees and charges.
3. **Grants and donations**—from development agencies and other organizations.
4. **Debt-borrowing** on the markets, from public institutions, or the central government.
5. **Private stakeholders**—through off-budget schemes, such as PPPs, which have grown in importance in many countries over the past decade.

Due to the significance of public markets and the inadequate condition of market infrastructure, together with the challenges faced by MMDAs in generating money from the first two alternatives, the last three options have emerged as the primary method for financing market infrastructure in Ghana. These options rely on the national level to play a key role.

The national government has embraced modern markets (also referred to as “model” markets or “new” markets) with the stated aim to prevent the “proliferation of hawkers and itinerant traders³¹ and ramshackle structures,” and “the menace of market fires and other hazards,” according to the Ministry of Trade and Industry (MOTI).³² MOTI created general market conceptual models that focus on incorporating refrigerated stores, fire protection facilities, market stalls, drainage infrastructure, bathroom facilities, day care centers, playgrounds, and running water. In collaboration with the Ministry of Finance (MOF), MOTI also developed a PPP policy framework to facilitate private investments in funding the building and

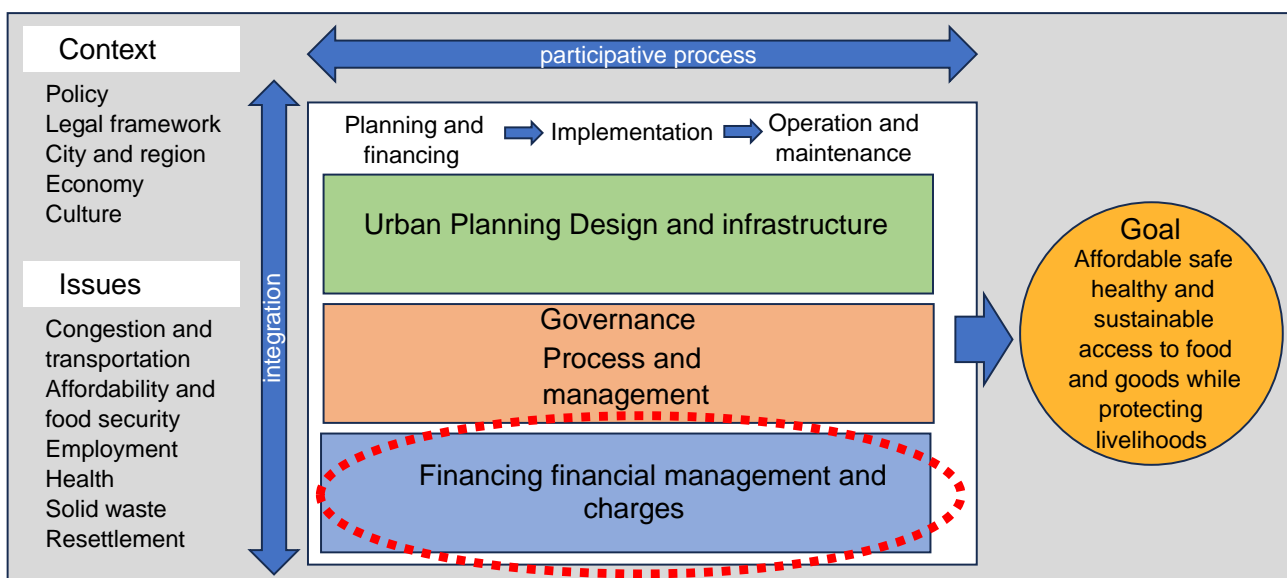


Figure 11. Financing, financial management and charges (source: Forbes Davidson).

Box 4. Cape Coast, Ghana, inability of local government to repay a Chinese discretionary loan

Preparatory phase of the Ghana Urban Management Pilot Programme (GUMPP)

In Cape Coast, Ghana, the local government wanted to redevelop its central Kotokuraba Market. They borrowed from the Chinese Government via the Ministry of Finance to fund market redevelopment. The Exim Bank of China approved US\$30 million of the 200 million requested with repayment of 2% per annum fixed. The local government had to sign an agreement with central government to repay the loan on a half yearly basis. The researchers calculated that it was not

(based on Asante and Helbrecht (2020) and Asante (2020))

possible for local government to generate sufficient funds to make the repayments and to cover operation costs, and at the same time keep the central government guidelines (MLGRD 2017) on the charging of rent. The issue that would arise if neither local nor central government repays the loan, is that the market would become Chinese property.

Other issues that arose in Cape Coast were that the locations where traders were moved prior to demolition of the old market allowed only poor trading conditions due to location, resulting in impoverishment.

administration of markets. This framework also guides the financial structure of the market for its operations and management. Through this financial model, metropolitan, municipal, and district assemblies can acquire loans to fund the construction of a new market; each market is to be financed, constructed, and operationalized in phases, on a cost-recovery basis.

The local government serves as the legal and policy facilitator, handing over design, construction, and possibly even operations of the completed market to the private sector. The market redevelopment construction is undertaken by a contractor agency specializing in engineering and construction. The Government of Ghana is charged with repaying in full the loan plus interest. The local assembly raises the funds for loan repayment via user charges to the market and street vendors who will occupy the new market. These collected fees also finance the overall facility's maintenance, management, and operations.³³

The cases in Box 2 (section 4) and Box 4 illustrate that the involvement of large-scale foreign funding can create situations which are difficult for local government to handle without central government support, and that even then they can remain problematic.³⁴ The key lesson is to understand the potential risks, and to try to minimize them.

5.3 The need for well-prepared proposals for funding

Good proposals are necessary to access funding. We share some lessons here from the experience in Kumasi. The capacity of local government (MMDAs) to plan, prepare and deliver infrastructure projects is central to effective infrastructure development. Even where

infrastructure projects are executed with private sector participation through PPP arrangements, the role and capacity of the local government is crucial in building confidence among potential donors and investors. A local government staff member explained:

"Financiers are also looking for the existence of (or a plan to address) several important issues such as site acquisition documents and access, licenses, permits, and regulatory authorizations which affect the project. Lenders want to know that required permits and licenses are in place or can easily be obtained by the project proponent. Lenders also attach great importance to the capacity of the technology to be used and its appropriateness for the site and the region."

Another risk factor when working with international finance is the exchange rate relative to local currency. In the examples in Box 5, the loan amount is given in Ghana Cedis. Since that time the currency has devalued significantly against the US dollar, from a value of \$1.42 for a Cedi in 2010 to \$0.08 in 2024. This means that the repayments are significantly higher in local currency terms. Inflation is another issue when dealing with international currencies. Additional issues can include land acquisition; resettlement, relocation, and compensation; maintenance of assets; as well as repayment of loans, which is linked to fee setting and cost recovery (as discussed in the next section).

Table 6 lists the criteria which have been found to be important in preparing proposals for market development in Kumasi, and Box 6 describes how market and other infrastructure projects were prepared in the GUMPP programme.



Box 5. GUMPP Concessional Loan Finance of Markets in Ho, Kumasi, and Tamale

In April 2010 the AFD's board of Directors approved a EUR 40 million loan for GUMPP. This concessional (soft loan) for the Government of Ghana, was signed by the Ministry of Finance and Economic Planning through the Ministry of Local Government and Rural Development. The four participating MMDAs were Kumasi Metropolitan Assembly, Tamale

Metropolitan Assembly, Sekondi-Takoradi Metropolitan Assembly, and Ho Municipal Assembly. These four assemblies were formally designated as the "Final Recipients" of the programme (through on-granting agreements) but played the major role in programme ownership and implementation. The GUMPP financed the following market infrastructure.

Project	Loan amount in 2012 (US\$)
Kumasi: Redevelopment of New Agogo (Atonsua) Market to Southern Trading Center	4,602,736
Kumasi: Redevelopment of Old Tafo Market to Northern Trading Center	4,149,543
Kumasi: Redevelopment of Asawase Satellite Market to Central Trading Center	4,185,971
Tamale: Upgrade the Aboabo Market and lorry park	2,930,307
Ho: Renewal of Ho Central Market & CBD road	7,305,858

Figures are from 2012, when 1 Ghanaian Cedi = US\$0.5246; in March 2024, it was US\$0.08.

Box 6. Preparatory phase of developing market projects for GUMPP

In the preparatory phase of the Ghana Urban Management Pilot Programme (GUMPP), urban, financial and organizational audits were launched under the directive of the Urban Development Unit of the Ministry of Local Government and Rural Development (MLGRD) and were conducted by local consultancy firms. Audits were reviewed and adopted by the local authorities. Findings

identified the strengths and weaknesses of the cities in each of the areas and proposed priority investment projects including markets, maintenance plan preparation and support measures to overcome these. It included proposed activities to rationalize the way local government operates in services delivery and increase financial resources and capacities for sustained investments.

Table 6. Early-stage planning factors that can influence the bankability of a project, based on Kumasi experience.

Criteria	What donors and financiers are looking for
Project definition	<ul style="list-style-type: none"> • Clear definition of the project • Overall objective of the project • Justification: why the project should be carried out • Expected benefits • Boundaries and scope • Potential risks • Indication that technical options have been assessed, even at a high level, and the technical solution selected is the best option available • Government support • Project partners and champions, i.e., the project proponents
Feasibility studies	<ul style="list-style-type: none"> • Risks and potential financial returns have been determined and are evident to the various parties. • The project is financially / economically viable. • Rigorous environmental and social impact assessment has been carried out to high environmental standards. • Technical options and demand projections: market space demand and occupancy studies have been carried out and are as accurate as can be.
Capacity of the technology	<ul style="list-style-type: none"> • Project design is appropriate • Technology being used is appropriate • Detailed assessment of technical options has been done
Site acquisition and access	<ul style="list-style-type: none"> • The project land / site is available for implementation and any resettlement studies have been carried out. • All relocation, resettlement and compensation activities have been completed.
License, permits, and authorizations	<ul style="list-style-type: none"> • Licenses, permits and authorizations required to develop the project have been acquired.



5.4 Market fee setting: Basis for Determining Charges

The level of charges for public markets is a very sensitive issue, as affordability has major impacts on the cost of food and on employment for local traders. Because of the sensitivity of fee setting, there are guidelines at the national level in Ghana for handling increases to fees in markets (these are explained in more detail in section 7, Notes).³⁵

Under Ghanaian law, in determining the level of charges to be applied under each item, an assembly must consider not only the revenue earning motive, but also the purpose that the amount will serve, the capacity of the assembly to collect, and the ability of the population to pay. The guidelines show how to determine the charges to recover in part, or whole, the cost of providing, maintaining, and improving upon the quality of extending or expanding a service. In considering what proportion of cost may be recovered, consideration must be given to the target group(s) for whom the service is being provided. For instance, for essential social services like public toilets and baths meant primarily for the benefit of the poor and the marginalized, the charges should reflect this.

Increasing market fees is never popular, so it is very important that there is a very clear link between what is collected and the quality of O&M of the market. As a local government staff member explained:

"In practise at the local level the local assembly needs to approve rates, and this is where politics come in. Appointed members say people cannot pay. Before going to the assembly, it is important to engage with market women and ensure there is sensitisation. This requires a lot of education, and lobbying so that people understand. When in Kumasi we do all these things it works. Then the collection is easy. If the collected funds are spent of something people can see the benefit of, for example the cleaning of the market, then there is support- if this is not done or things are broken and not fixed, then there is no support. Sometimes when we want to increase fees it is a problem as the ability to pay is difficult. It is important also to train collectors - so they can explain to the stall holders. It should be part of the collector's job to explain the reasons for fee collection."

Revenues to be collected from market users should reflect the need to cover recurrent as well as past and future capital expenditures. Some of the revenue collection system will also impact the physical design. For example, alternative systems to charging stall rents, such as the use of entry or parking fees, may be attractive as revenue generation methods, but could led to increased congestion. Rental collection based on the turnover of commission agents' units may also impose high demands on staff time and cause the need for the provision of additional infrastructure, such as collection booths.

5.5 Digital collection of fees

With the support of AFD, programs have been introduced to offer the digital payment of fees and taxes in Ghana. Kumasi is participating in this digitization program, which has already yielded results, as a local official explained:

"[The program] can link, e.g., property tax to geographic location. So far there has been success linking to property tax with 25% increase in general rates taxes and 65% increase in business tax collection. It is hoped to extend this to markets. The standard approach in markets is manual collection with receipts. A trial showed initial success with electronic market fee collection with increased revenue, but this was not supported by central government as the issue of being able to demonstrate due diligence was not resolved. This promising approach will be revisited once problems are resolved."

5.6 Direct investments and PPPs: Links to adjacent privately funded development

One form of raising funds is by partnership with the private sector. This is both encouraged but also controlled and limited by central government. The legal framework is described in section 7, Notes³⁶.

The Act presents an institutional framework for PPP structuring and bidding, projects appraisals and approvals, regulatory compliance, and monitoring and evaluation for the purpose of ensuring transparency and due process. The Act further envisages and sets out common variations and combinations of transaction structures by which PPPs could be executed, such as concessions and models such as Build, Operate and Transfer (BOT) and Build, Own, Operate and Transfer (BOOT). The Act, however, retains flexibility by permitting public contracting entities to revise the prescribed arrangements and apply arrangements most suitable to the relevant PPP project.

Box 7 illustrates that there are possibilities and avenues for funding and financing that are overlooked and not harnessed. MMDAs need to look beyond the usual sources of income, such as internally generated funds (IGFs). While there is a push to tap new, less explored, but viable sources of funding, the focus has been on external funding sources. These include municipal bonds, value capture financing (VCF) tools, and PPP models for developmental projects, including markets. The contribution of end-users, in this case the market traders, are, most of the time, not called on at the start of the project.

5.6.1 Project Packages

Projects can be developed with several connected parts. Projects with support components, combined into a package, are often more interesting to development partners. In the GUMPP, packages were designed for each MMDA based on the audit results for a four-year period. They are described in detail in section 7 Notes³⁷.

The major and regular source of funds for the administration of local governance is largely the District Assembly Common Fund (DACF). The DACF has been in existence for almost 24 years and serves as a pool for national resources to support the country's decentralization and local government development activities³⁸.

Assemblies are largely dependent on IGFs) to take care of the numerous developmental and associated challenges that face their localities every day. Although KMA is one of the top performers in mobilizing IGFs, the current level

Box 7. Innovative funding of the shortfall of the number of stores in GUMPP market projects

KMA implemented the redevelopment of three markets, with the support of the GUMPP:

- Redevelopment of New Agogo (Atonsú) Market into Southern Trading Centre
- Redevelopment of Old Tafo Market into Northern Trading Centre
- Redevelopment of Asawase Market into Central Trading Centre

Table 7. Shortfalls in stalls in redeveloped markets

	Shortfall Stores	Shortfall Stalls
Redevelopment of New Agogo (Atonsú) Market	401	11
Redevelopment of Asawasi Market	208	00
Redevelopment of Old Tafo Market	160	15

Due to site issues, it was not possible to build all the original units within the funding, so it was necessary to obtain finance to build additional stores and booths for the displaced market traders.

"The Assembly did not have the financial resources to finance the construction of the additional stores/stalls, so there was the need for private participation to ensure our target was achieved.

... The committee accepted the suggestions of the GUMPP Team, which had conducted comprehensive consultations... After the meeting they unanimously rejected the earlier decision to have the additional stores constructed under

Build, Operate and Transfer (BOT). They decided and recommended for the pre-financing of the project by the contractors and subsequently reimbursed them after satisfactory certification of work done. ... The Metro Works Engineer with the support of the GUMPP Team was tasked to meet the traders and the contractors [to discuss] this new trend in financing. A lot of stakeholder discussions were held and subsequently it was upheld that the market traders would fund the construction of the additional stores and stalls. It was also agreed that payments would be made for a 9-month period in equal installments, upon the final determination of the price per store/stall."

Table 8. Benefits of PPP arrangements as seen in the Ghana context.

Benefits to Government	Benefits to Private Sector	Benefits to Communities
Reduces financial burden on funding infrastructure	Avenue for investment	Employment and job creation opportunities
Fulfilling campaign promises and the social contract	Profit generation opportunity	Poverty reduction
Revenue generation for local Assemblies (IGF)	Increases the level of efficiency through implementation	Beneficiaries of PPP facilities and services
Brings efficiency into public sector governance	Identification of ideas and potential business opportunities	Knowledge/technology transfer benefits communities
BOT facilities revert to local authorities	Opportunity for business expansion	PPP with local content clauses improves livelihood at the communal level
Reduces governmental bureaucracies	Receives delegated power of the public sector to implement business plans	Benefits from proper monitoring and evaluation of projects that lead to quality
Learn new developmental and project ideas from the private sector		



Box 8. GUMPP supported markets: sustainability provisions

The sustainability of the GUMP relied on identifying and securing funds from local government for critical operation and maintenance programs, as the program solely offered investment funding. Each local government was required to contribute 10% of the investment expenses as its counterpart contribution. This included operation and maintenance charges, land acquisition, and relocation fees for each project.

Approximately 810% of the MMDA GUMPP would be needed to sustain these investments. The operation and maintenance requirements involved more than just sustaining project investments. They also encompassed the operational performance of the sector/sub-sector and the responsible agency, as well as the MMDA activities.

Accurate identification of budget requirements was contingent upon knowing the number, nature, and scope of each project in the

investment package. A well-structured operation and maintenance program was required to secure GUMPP financing.





of IGFs mobilized are not sufficient to finance a project of the magnitude of the Kejetia/Central Market or any of the three GUMMP market projects. This is where the need for other streams from the revenue mix, especially debt (preferential loans from development partners, Banks), PPP, and other innovative financing and financing mechanism are useful.

In the case of local government authorities, the Metropolitan, Municipal and District Planning Coordinating Units are the focal unit for PPP projects.

5.7 Ensuring Sustainable Access to Funding for Maintenance

Most attention tends to go to the design and funding of new buildings, but one of the greatest challenges is ensuring that routine preventive maintenance is properly carried out after a building is finished—and the costs for this must be budgeted. As with many cities, in Kumasi this is a continuing challenge. The fiscal base of departments entrusted with this responsibility, at central and, in particular, local levels, remains extremely weak. Funds available to these departments are often so limited that



they are unable even to respond to crisis maintenance needs, let alone undertake preventive maintenance. Accompanying the lack of funding is the inability of local and central governments and related sectoral agencies to *mobilize sufficient funds specifically for maintenance purposes*, in addition to capital repayment obligations.

The process required for integrating funds for O&M for the GUMPP in Kumasi is shown in Box 8 (see also the detailed note on the overall approach in section 7 Notes)³⁹.

6. Lessons and Conclusions



This case study aims to provide lessons that can potentially be adapted for public markets in other cities. Not all lessons from Kumasi will be relevant, but the issues and approaches described in this study can help to spark ideas that could work locally elsewhere.

A summary of lessons learned, including successes and challenges, is presented in Table 9, followed by a highlighting of the main lessons. These are grouped by type of market and by the themes of physical aspects, governance, and financial aspects. The lessons from the different types of markets highlight the importance of developing specific solutions for individual cases while also recognizing that each market is part of a wider system, and that changes can have wide implications, especially for low-income groups.

Overall, there are many lessons from Kumasi, as detailed in the case study. Many of the lessons link closely together, and should be seen as an interconnected package, where the details matter. However, the key lessons can be summarized below.

For the *physical* aspects of planning, design and infrastructure, it is important to plan *holistically*. *Participation* is very important to achieve wide inputs into planning and design. The Kumasi experience shows the benefits when it is well done, and the problems when it has not been implemented well. The *design* and implementation of the buildings is a very important aspect, but so too is the *quality of supporting infrastructure*, including transportation and the maintenance of the assets once constructed. A critical area for vulnerable traders is how *relocation and resettlement* is planned and implemented. The *location and timing of availability of alternative permanent and temporary trading spaces* is vital for their livelihoods. The lesson is that this needs to be very well planned and implemented to avoid severe hardship.



The lessons from the different types of markets highlight the importance of developing **specific solutions for individual cases** while also recognizing that each market is **part of a wider system**, and that **changes can have wide implications, especially for low-income groups.** “

For *governance* the main lesson is that the well prepared and *genuine participation* of key stakeholders is extremely important for success. The participation of the traders, especially women who are the largest group of traders in markets in Ghana, have an important role in both planning and management. *Participation* should be inclusive of informal traders to both have an impact on congestion issues and to minimize hardship for vulnerable groups. The *collaboration* between local government departments and the harnessing of private sector potential are also important lessons.

The case study also demonstrates the importance of the *financial* aspects. If the goals of market redevelopment are to be achieved, the relationship between the costs, especially of borrowing, the *affordability*, the *operation and maintenance*, and *debt repayment* (where there is a loan) must be balanced. Local government needs to have flexibility to use local sources of finance.

Table 9. Broad lessons from the case study

Activity	Success	Challenges
Spatial planning, design, and infrastructure		
General	<ul style="list-style-type: none"> The development of the markets, especially a central market, together with satellite markets, is an <i>ambitious effort</i> in a difficult situation. A significant amount has been achieved. Taking a wider approach to planning including links to transportation was important. The traditional land allocation process has limited speculation as land cannot be held without being used. 	<ul style="list-style-type: none"> The complementary actions to develop <i>alternative locations</i> for market and transportation activities still needs considerable effort and investment for these alternatives to be able to play their role. A key lesson is that location is critical to the ability of market traders to re-establish themselves.
Kejetia/Central Market	<ul style="list-style-type: none"> <i>Kejetia/Central Market (phase 1) the iconic new market building has been built and put into operation.</i> This is a landmark building that stimulates local pride, provides improved amenities, and is becoming a tourist attraction. The lesson is that with ambition and hard work it is possible to carry out major development. Phase 2, of Kejetia/Central Market is largely constructed. The concept of the integration of market development and transportation development was good, and potential funding is in the process of being accessed. 	<ul style="list-style-type: none"> The building has had teething problems, with a significant fire and periodic flooding. Some specifications were not implemented based on Ghana standards – giving issues in fire protection, electricity charging, and maintenance. Maintenance has been recognized as an issue which is planned to be improved in phase 2. A funding issue related to Ghana's capacity to service international borrowing has stopped construction. This is causing problems for traders who were expecting to be allocated space. Slow realization of funding and implementation of transport components means that congestion issues are not yet resolved.
Racecourse Market	<ul style="list-style-type: none"> Racecourse Market has developed rapidly and is absorbing some of the surplus demand from Kejetia/Central Market. Although there is a low level of infrastructure, the land availability has allowed rapid and flexible development. Improvements are being made to the infrastructure. 	<ul style="list-style-type: none"> Implementation—especially making the major overflow market/transport terminal of Racecourse attractive to customers and traders—is only slowly being implemented. This has resulted in difficult conditions and issues of fire and flooding. There are also reports of irregularities in stand allocation.
Satellite markets	<ul style="list-style-type: none"> The concept of the development of satellite markets to take pressure from the central markets is an important lesson. The design of markets has been modified based on consultations with traders. Improved registration helps avoid problems after upgrading. 	<ul style="list-style-type: none"> The constrained locations of many existing markets make expansion difficult.
Governance		
General	<ul style="list-style-type: none"> The <i>role of women in market management</i> is strong and works well for dispute settlement. Innovations to <i>improve cross-departmental coordination</i> were successful. <i>Capacity building</i> efforts of local government and partners to support market development and decongestion were implemented. 	<ul style="list-style-type: none"> Actions of market queens do not always follow rules, leading to some conflict with local government. Market traders and officials are sometimes involved in informal allocation. Improved coordination was reduced after programme support ended. <i>Lack of inclusion of marginal groups</i>, especially informal traders, led to problems as viable alternative market locations were poorly developed.
Kejetia/Central Market	<ul style="list-style-type: none"> The participatory process was generally a success, with significant learning. It is becoming more inclusive. There is <i>innovation</i> in the model for management of the central markets 	<ul style="list-style-type: none"> Initially there was not sufficient inclusion, especially in the initial planning stages. The result was that relocation/ resettling of traders was problematic. This was improved later, however. It is too early to judge the effectiveness of the new model
Racecourse Market	<ul style="list-style-type: none"> After initial issues were addressed, Racecourse Market has been relatively easy to access for traders. 	<ul style="list-style-type: none"> The implementation of relocation to Racecourse Market initially had insufficient participation, was not initially a good trading location, and had problems in allocation of stands. There are reports of irregularities in allocation of locations.
Satellite markets	<ul style="list-style-type: none"> <i>Participation in planning</i> for new development has been strong in the satellite markets supported by GUMPP, with <i>innovations in the process of ensuring that the claims of relocated traders are respected</i> 	
Finance and charging		
General	<ul style="list-style-type: none"> Central government policies encourage ambition of local government related to markets. There is a support mechanism in central government to support PPPs 	<ul style="list-style-type: none"> The policies of central government ministries in combination make it difficult for local government to borrow and to charge enough to repay funding for market development. It is cumbersome at the local level to follow central government procedures for PPP. The role of market income for local government finance makes it difficult to ensure sufficient funding for maintenance.

Table 9. Broad lessons from the case study (continued)

Activity	Success	Challenges
Finance and changing (continued)		
Kejetia/Central Market	<ul style="list-style-type: none"> • Kumasi has been successful in making a case for the funding of the central market redevelopment, both to the national government and to international funding institutions. 	<ul style="list-style-type: none"> ◦ The finalization of the Central market building (phase 2) has been stalled due to funding issues. This must be seen within the context of International Monetary Fund (IMF) restrictions on external borrowing at the national level. ◦ The cost of repaying loans for construction, even at concessionary interest, is very difficult when market charges are controlled at a low rate by central government and when local affordability, important for the overall goal of the markets, is low. ◦ The high costs of maintenance require increased payments from traders, which in turn may give affordability problems.
Racecourse Market	<ul style="list-style-type: none"> • The cost of developing Racecourse has been low because only limited superstructures have been built. 	<ul style="list-style-type: none"> ◦ Budgets for improving infrastructure have been very low, and not sufficient to ensure resilience related to fire and flooding risks.
Satellite markets	<ul style="list-style-type: none"> • Innovative approaches have been developed for local finance. • The setting of charges has been participatory, within limits set by central government. • The financing of additional units has been arranged, together with shop and stall owners. 	<ul style="list-style-type: none"> ◦ Improvements have been partly dependent on external financing.

A last word. The case is presented in a way that is intended to help provide some useful lessons. The experience has been subdivided to make lessons more accessible, but it is important to remember that they are part of an *integrated* approach. We have described problems as well

as successes. Problems of a similar nature occur everywhere, including in developed countries; the difference is normally of degree. We hope that the Kumasi case can provide both inspiration and notes of caution for local governments to help develop better public markets.



Woman carrying plantain and cassava chips through a market in Cape Coast, Ghana (by Logan - stock.adobe.com)

7. Notes and References

Notes

1. Definitions are discussed in Visconti, L., & Minowa, Yuko, Maclaran, P. (2014). Public Markets: An Ecological Perspective on Sustainability as a Megatrend. *Journal of Macromarketing*, 34(3).
2. The Ministry of Local Government, Decentralization and Rural Development and its Departments and Agencies belong to the Central Management Agencies category of government machinery whose mandate among others, is to ensure good governance and balanced development of Metropolitan, Municipal, District Assemblies (MMDAs) in line with the Civil Service Act, 1993 (PNDCL 327). As the parent ministry of local MMDAs, the Ministry of Local Government, Decentralization and Rural Development has the oversight responsibility of all local governments and markets, including the markets in Kumasi.
3. Land Use and Spatial Planning Act, 2016 (Act 925) Zoning and Land Use Regulations, 2019 (LI 2384), the National Building Regulations, 1996 and the Local Government Act, 2016.
4. Sources for this data were the Ghana Statistical Service, Census 2021 (available at statsghana.gov.gh) and Macrotrends (<https://macrotrends.net>). The figures for greater Kumasi metropolis vary according to source. The KMA area was 443,981 in 2000 and the greater area with 8 an estimate of 3.5 million with an annual growth of 6%, but changing boundaries make this difficult to confirm.
5. Clark, G. (2010). *African Market Women, seven life stories from Ghana*. Indiana University Press.
6. Clark, G. (2010). Op cit.
7. The lending from Deutsche Bank for Phase 2 of Kejetia/Central Market was guaranteed by UK government export credit of 145million Euros. This had to carry out due diligence on social and environmental impacts. See conditions reported by UK Export Credit Guarantee for the second tranche on 30 November 2023. The UK support also means that UK steel is used, and the UK branch of the original Brazilian firm is in charge of construction.
8. See Okoye, V. (2020). Street Vendor Exclusion in "Modern" Market Planning: A Case Study from Kumasi, Ghana. In WIEGO Resource Document No 15.
9. Land in Kumasi is not privately owned. It is held by the traditional ruler, and his permission is necessary for changes in use. This was necessary for example for the change in use of the lorry terminal and the allocation of the former racecourse as a market and bus and lorry terminal. This system of land tenure moderates land speculation and makes the traditional ruler a very important stakeholder. The traditional ruler is also called in to facilitate the solving of disputes, for example when traders resisted relocation from the existing markets.
10. See Okoye, V. (2020). The early phases of planning seem not to have properly involved petty traders. This situation has been reported to have improved – see the statements from KMA staff.
11. GhanaWeb (2023b).
12. This has resulted in catering for only 78 routes, mostly long-distance stations, resulting in the creation of on-street loading points for vehicles which operate intra-city (10-15km radius) services,
13. CNR-CitiNewsroom. (2021). "KCARP, Africa's largest recycling plant becomes fully operational". <https://citinewsroom.com/2021/04/kcarp-africas-largest-recycling-plant-becomes-fully-operational/>
14. The Kanco circular economy hub was established under the DEALS programme and was reported as operating in 2022 when the programme ended, VNR International, DEALS: Kumasi, Ghana. 2022. (<https://www.vng-international.nl/sites/default/files/factsheets-Ghana-WTK-BC.pdf>); however, no evaluation was conducted on impact or sustainability.
15. From the report of Mr. Amankwah, based on his interview with the manager of Kejetia phase 1 (see Box 2).
16. Martha Adimabuno Awo (2010). "Marketing and Market Queens": A case of tomato farmers in the Upper East Region of Ghana. Dissertation, Rheinische Friedrich-Wilhelms-Universität Bonn, 2010. Online-Ausgabe in bonndoc: <https://hdl.handle.net/20.500.11811/4261>
17. Lilli Scheiterle and Regina Birner (2020) The Myth of the Market Queens: A Case Study of Women and Power in Ghanaian Markets, Universität Hohenheim.
18. Awo (2010), "Marketing and Market Queens".
19. The GUMPP programme was funded by AFD and managed by IHS. The aim was to combine financial support for infrastructure development with strengthening institutional capacity to plan and manage. The projects were proposed by local government. Markets were an important component for several cities.
20. The quotations are from KMA staff involved in the two programmes.
21. From VNG International
22. Statement from KMA staff involved with the support programmes.
23. The DEALS programme funded support from KNUST. This had initial success in the process of applying for a grant from the International Municipal Infrastructure Investment Fund
24. See Okoye, V. (2020). Street Vendor Exclusion in "Modern" Market Planning: A Case Study from Kumasi, Ghana. In WIEGO Resource Document No 15.
25. The British High Commissioner stated, quoted by Deutsche Bank "When I visited Kejetia Market last year, I met the stall owners and market traders, many of whom are women, working in the newly completed phase one of the market, I heard first-hand the positive impact the development has had on their businesses, their families and the community within the market, which spans generations". "As the transaction plays a key role in assisting the socioeconomic advancement of a number of local small and medium enterprises in the overall supply chain, it will contribute towards Deutsche Bank's target of facilitating over 200 billion euros in sustainable finance and investments by 2023".
26. Examples of cooperation with the university on transportation provided by the head of transportation of KMA included:
"BRRI supported Ingerop Group during the preparation of the Sustainable Urban Mobility Plan (SUMP) Civil Engineering Department of KNUST was part of the SUMP, Kumasi Urban Mobility and Accessibility Project (KUMAP), African Smart Towns Network (ASToN), Bloomberg Initiative for Global Road Safety (BIGRS) Business School and the Computer Science Departments of Kumasi Technical University (KsTU) were part of the ASToN project "
27. Figures are from ILO and Ghana Statistic services 2012, from Okoye, V. (2020). Street Vendor Exclusion in "Modern" Market Planning: A Case Study from Kumasi, Ghana. In WIEGO Resource Document No 15.
28. Source: interview 2024 with KMA staff who have been involved in the market development process.
29. The observations in this section are based on the experience of the GUMPP programme in Kumasi where the satellite markets were initially under KMA and later under the decentralized municipalities within KMA.
30. The 1992 Constitution and the Local Governance Act 2016 (Act 936) define revenue sources for MMDAs. Act 936 defines three main categories of revenue: decentralized transfers, internally generated funds (IGF) and donations and grants. Donations and grants are defined by law as funds received from donors and development partners. The decentralized transfers include the district assemblies common fund (DACF); grant-in-aid from the central government and any others revenue transferred from the central government to the district assembly. IGFs comprise revenue from all sources except grants and subsidies (licenses, fees and charges, taxes, investment income, and rates) and represent 17.4% of subnational revenue. To set rates, MMDAs are informed by the "Guidelines for Charging of Fees for the Provision of Services and Facilities and Granting of Licenses and Permits by MMDAs" issued by the Minister of Local Government and Rural Development in 2021 after the first version in 2017
31. "Hawkers and itinerant traders" refer to street vendors who operate on foot and from non-fixed locations.
32. MOTI (2009).
33. Okoye (2020).
34. The case of Cape Coast is well described in Asante and Helbrecht (2020) and Asante (2020).
35. Pursuant to Sections 137,141 and 150 of the Local Governance Act 2016 (Act 936), the Minister for Local Government, Decentralization and Rural Development is required to issue guidelines on the fees and rates to be charged by Metropolitan, Municipal and District Assemblies for services and facilities provided by Assemblies. Accordingly, Guidelines for Charging of Fees, Licenses and Permits for the Metropolitan, Municipal and District Assemblies for the 2022-2025 Fiscal Years was issued on the 3rd of September 2021.
36. In 2020, capital expenditure of MMDAs was of US\$ 0.3 PPP/inhabitant and 3.0% of total expenditure. Regulations of capital investment for MMDAs are governed by the Public Procurement Act 2003 (Act 663) as amended with Act 914.
Before 2020, PPP projects in Ghana did not have a single, well-defined legal framework that ensured clear modality mappings and an eventual project implementation mechanism. PPPs were governed by general procurement provisions under the Public Procurement Act, 2003 (Act 663), as well as various sector-specific laws, such as Ghana Investment Promotion Centre (GIPC) Act, 2013 (Act 865) and the Renewable Energy Act, 2011 (Act 832).
The Public Private Partnership Act of 2020 (Act 1039) came into force in 2020 and requires MMDAs' PPP agreements to be approved by the general assembly in line with their standing orders, according to the allowable ceiling by level of districts. Regional coordinating councils

have the responsibility of reviewing all PPPs before agreements are formalized. Application of PPPs are to be guided by the tenets of the public procurement requirements

37. • A priority investment programme: including the infrastructure to be financed during the GUMPP, proportioned to the financial and ownership capacities of each local government (MMDA). The list derived from the needs expressed by each MMDA during the audits, absorption capacity, available budget provisions and relevance and quality of project investment proposals.
- A priority operation and maintenance plan, an O&M plan directed at sustaining the GUMPP investments, was prepared with budget provisions made accordingly to finance these by each MMDA. This compulsory O&M expenditure was a prerequisite for GUMPP financing.
- A support programme: aimed at introducing support measures at local government level which would enhance the operational performance in services delivery and the support required in terms of administrative and financial capacity building and assistance (training, technical assistance, small equipment) for each MMDA.

The local government programmes, consisting of the three components listed above, were formalized in on-granting agreements (MoUs) which were signed between the respective MMDAs and MLGRD/AFD. Implementation of the overall programme will be as per Annual Development Plan, which was included as an "Annex" to the Annual Procurement Plan defining the GUMPP MMDA expenditures for that particular year. Projects that were identified at the initial formulation stage, but which eventually prove to be apriority for the MMDA, may be integrated when required, within the limit of the existing budget and provided they meet the defined eligibility criteria.

38. The DACF supports Ghana's decentralization process and helps in the provision of basic socioeconomic infrastructure and services needed for development at the district levels. Yet, it is faced with untimely release of funds by the Ministry of Finance (MoF) and has become highly politicized, therefore creating controversies in its disbursement (OA-DACF, 2015:4).

39. An operation and maintenance programme (O&M) describes the process used to define resources and processes needed to sustain a project after implementation. Without advance agreement on how the project will be maintained—i.e., Who will have responsibility for O&M? How will O&M priorities be set? Who will pay for the O&M programmes? How will O&M be managed?—then a project could be successfully implemented, but would very likely become obsolete, neglected, and unused.

The requirement for maintenance to support the operation and planned life of a public infrastructure asset should be fundamental to the decision to invest in that asset. Maintenance often makes up a substantial proportion of the cost of an infrastructure investment over its operational life span, and this is even more true in the case of municipal markets.

The full life-cycle cost of a capital investment must be reviewed, and any estimated increases or decreases in the O&M budget considered. Full costs are identified as part of the project proposal, for replacement and for new infrastructure. This allows the municipality to plan more accurately for future operating and capital budget allocations and avoid chronic O&M budget shortfalls. In effect, the municipality can make better decisions regarding capital project planning, if projects are only allowed to go ahead once the entire projected cost package, including O&M, is reviewed.

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