

On the other hand, insufficient urban revenues remain a challenge. In Ghana, the tax to GDP ratio is only 12.7 percent, which is much lower than in comparable countries. Therefore, Ghana is dependent on foreign aid to finance development projects. Existing revenues do not flow specifically into development projects, and do not benefit the population. National and sub-national institutions are not sufficiently equipped to finance inclusive development. This is due to poor planning, and to the fact that the distribution of funds is often not targeted, inefficient and non-transparent.

The analysis of the past trends and current situation of urban issues have revealed issues of: difficulty to manage overconcentration of growth and development in a few cities, weak urban economy, increasing environmental deterioration, land-use disorder and uncontrolled urban sprawl, increasing urban insecurity, inadequate urban infrastructure and services, weak urban governance and institutional coordination, urban poverty, slums and squatter settlements, obsolete delimitation of urban areas and lack of integrated planning across jurisdictional boundaries, and weak rural-urban linkages.

By supporting institutional dialogue, policy development, capacity building for improved planning and revenue mobilisation, the action will focus on addressing the following challenges:

- Lack of understanding, capacity and of integration of urban policies;
- Gender blindness on analysis and planning processes;
- Inoperability of planning tools;
- Land insecurity and urban sprawl;
- Missed opportunities in land value capture of municipal tax collection;
- Lack of resilience and of response to climate events.

Responding to these challenges can help transform urban spaces into resilient and sustainable communities that benefit residents by reducing energy costs, improving quantity and quality of services, reducing waste, improving mobility, ensuring safety, providing better urban environment, creating decent economic opportunities, and contributing to a more inclusive society.

Identification of **main stakeholders** and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

By its nature, urban development is multi-sectorial and calls for competences shared and managed by many actors and ministries (duty bearers): the Ministry of Finance (MoF), the Inter-Ministerial Coordinating Committee (IMCC) on Decentralisation, the Ministry of Local Government, Decentralisation and Rural Development (MLGDRD), the Ministry of Environment, Science Technology and Innovation (MESTI) and the Ministry of Lands and Natural Resources (MLNR). In addition, many technical ministries are involved in the provision of urban services and infrastructure. Other stakeholders include selected Metropolitan and Municipal Assemblies and Regional Coordinating Councils, traditional authorities, professional associations, public agencies (utilities, ministerial agencies, housing corporations), community led groups, including groups representing marginalised communities.

This action will work, in particular, with the following partners.

The **Ministry of Finance** (MoF) is the lead economic management institution for development in Ghana and it ensures effective economic policy management for the attainment of macroeconomic stability and sustainable economic growth through sound fiscal policy and efficient public financial management, with the goal to attain upper middle income status and poverty reduction.

The **National Development Planning Commission** (NDPC) is the authoritative planning body that provides the policy choices for sustainable development in Ghana. Its mandate includes the preparation of medium-term development plans and the provision of management advisory services to the Assemblies. The Commission also ensures effective implementation of the approved national development plans, and coordinates the decentralised national development planning system.

The **Ministry of Local Government, Decentralisation and Rural Development** (MLGDRD) ensures good governance and balanced development of Metropolitan, Municipal and District Assemblies (MMDAs) through the formulation of policies and guidelines on the acquisition and use of human and financial resources by Assemblies. Part of the MLGDRD, the **Urban Development Unit** was created to oversee the implementation of the outlined activities in the National Urban Policy. The unit faced numerous operational challenges, such as shortage of personnel, finance, and logistics, which have hampered its functioning to the point that it is now dormant. Ensuring