

Performance and Prospects of the Wa Municipal Assembly in Revenue Generation

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Abstract

The Wa Municipality has several developmental challenges such as rapid population growth, high rates of illiteracy, poor environmental sanitation, and poverty. Besides the developmental challenges, the Municipality's average contribution of IGF to its total annual revenue basket is minimal. This has created room for more dependence on external sources for development funds which often fluctuate and are generally on a decline. The study was conducted with the aim of evaluating the prospects of the Wa Municipal Assembly in relation to levels of revenue generation. Primary and secondary data were used for the study. Questionnaires and structured interview schedules were used to collect primary data from 467 respondents within the Municipality. The study shows that the Assembly's potentials in relation to revenue generation are tourism promotion, investment in agriculture, improving on the database, expanding the revenue base, and taking advantage of the presence of NGOs and CBOs. It is concluded that the Wa Municipal Assembly should properly identify and value properties in a timely manner, adopt good resource mobilisation strategies, properly train Revenue Collectors and finally take keen interest in tapping into the prospects identified by the study so as to improve on levels of revenue generation.

Keywords: *Subsidiarity Principle, Prospects, Performance, Revenue Generation, District Assemblies*

Introduction

Most developing countries over the past three decades have decentralised fiscal and political power from the national to the local levels (Erman, 2021). The primary argument is that local governments adopt inclusive decision-making process which helps in understanding the concerns of the people at the local level (Shah, 2006). This further enables local governments have autonomy over the mobilisation of financial resources in order to perform the functions assigned to them. Oates (1999) has stressed that once functions are assigned to the various levels of government so also must specific fiscal instruments such as tax, debt instruments and intergovernmental grants be used. This will otherwise lead to perverse dependence of lower levels of governments on the central government.

In Ghana, the Assemblies are entrusted to take charge of the development of their areas. For instance, Acts 462 (1993), 479 and 480 (1994), empower the Assemblies to initiate, plan and manage development policies and programmes to bring about development in the districts. To financially resource these Assemblies to be able to carry out these development activities in their localities, the District Assemblies' Common Fund (DACF) was established under Act 455 of 1993. It sets aside not less than 7.5% of national revenues (except foreign loans and grants) to be distributed to the Assemblies. Other means through which these Assemblies financially resource themselves are rates, lands, fees, licences, trading services and miscellaneous sources known as internally generated funds (IGFs). The District Assemblies also receive financing in the form of bilateral and multilateral donor support and technical assistance. The District Development Facility (DDF) was also later brought in to deal with the inadequacy and fragmented distribution of funds from national government, ineffective institutional structures and the absence of motivation to improve performance (Government of Ghana, 2012). Despite some of these prospects available to District Assemblies, a study by Adamtey and Amoako (2021) on the mobilisation of IGF in Ghana reveals that IGF has been negatively affected due to factors such as inadequate logistics, low quality revenue collectors and poor outsourcing strategies.

The Upper West is classified as one of the poorest regions in Ghana with over 50% of the population being poor (GSS, 2022). This situation could be attributed to long term underdevelopment of the region. Several reasons have been argued to have accounted for this underdevelopment. Oteng-Ababio et al. (2017) have argued that the bias nature of colonial policies together with successive rounds of post-independence policy continuity or discontinuity accounts for the underdevelopment of northern Ghana. The establishment of the Savannah Accelerated Development Authority (SADA), now Northern Development Authority (NDA), is part of the current efforts being made to promote accelerated development in northern Ghana.

Much as attention is being focused on these regions with the setting up of NDA, so also must the Metropolitan, Municipal and District Assemblies (MMDAs) be given special attention. MMDAs in poverty-stricken regions have greater challenges collecting IGF and generally accessing resources to support development efforts. A study of three District Assemblies in the Upper West and Upper East Regions in Ghana by Bandie (2015) showed that although the Assemblies have some means of financing local level development, these were highly inadequate with central government transfers accounting for over 60%. Bandie (2015) further stated that, the over reliance on the central government for funds gives a clear indication that the Assemblies are bedevilled with weak local mobilisation structures.

The Wa Municipality has several developmental challenges such as poverty, inadequate infrastructure (education, health, roads), unemployment, low agricultural productivity, underdeveloped tourist sites, and poor environmental sanitation among others (WMA, 2022a). Besides the developmental challenges the Wa Municipality faces, its average contribution of IGF to the Municipality's total annual revenue basket is only about 20% (WMA, 2022b). This implies more dependence on external sources for development funds which often fluctuate and generally on a decline (WMA, 2022b). The Wa Municipal Assembly further stated that the late and irregular release of the Common Fund affects a lot of development projects since they are time-bound. The other funding sources such as donor support were also irregular and virtually ceasing to exist.

The focus of the Municipal Assembly is therefore on the provision of municipal services and urban land use management, which fall within key development issues such as urban planning and urban upgrading, land use management and development control, environmental management, and enforcement of environmental byelaws. This brings to light the issue of generating revenues for the purpose of financing basic infrastructure and services and promoting investment in the municipality. The Wa Municipality is one of the deprived areas in terms of the Municipal Assemblies' categorisations in Ghana. Given the economically underdeveloped nature of the municipality, it will be relevant to know the revenue performance and the prospects available for the Assembly in order to increase its levels of revenue generation. It is in the light of this that, the study seeks to evaluate the revenue performance and prospects of the Wa Municipal Assembly. The findings of this study are expected to contribute to the literature on how local governments in economically deprived municipalities perform in their revenue generation and also the prospects to harness in order to increase levels of revenue generation. This is for the reason that funds are often needed by Assemblies to be able to undertake development activities.

The rest of the study is organised as follows. The next section reviews theoretical and empirical literature on the subsidiarity principle and the prospects of local governments in relation to levels of revenue generation. This is followed by the study area, research design, sampling and data collection. The results are then discussed in the next section and conclusions drawn based on the research findings in the final section.

Literature Review

Subsidiarity Principle

Subsidiarity principle is a theory that paves way for tasks within a society to be performed by the lowest level where it is assumed, they can best be managed effectively with the higher levels supporting the lower ones to ensure that they have sufficient means to undertake the required tasks (Carley & Ian, 2000). Therefore taxing, spending, and regulatory functions should be undertaken by lower levels of governance except when a convincing case can be made for assigning them to higher levels of government (Shah, 2006).

The origins of subsidiarity are said to have come from Aristotle and Thomas Aquinas before it moved to different philosophical and political contexts such as Catholicism (Demirci, 2003). However, it was not until the celebration of the forty years of Leo's *Rerum Novarum* in 1931 that it first became known to the understanding of the public by Pope Pius XI in an address entitled 'Quadragesimo Anno' (Endo, 2001). The principle of subsidiarity as explained by Pope Pius XI (1931:79) states that:

Just as it is seriously wrong to take from individuals what they can accomplish by their initiatives and industry and give it to the community, it is also injustice, and at the same time a severe evil hand disturbance of right order to assign to a greater and higher association what lesser and subordinate organisations can do. For every social activity ought, out of its very nature, to furnish help to members of the society, but never destroy and absorb them Therefore, those in power should be sure that the more perfectly a graduated order is kept among various associations in observation of the principle of subsidiarity function, the stronger social authority

and effectiveness will be, and the happier and more prosperous the condition of the state.

In 1991, Pope John Paul II in a similar argument described subsidiarity by stating that:

A community of higher order should not interfere in the internal life of a community of lower order, depriving the latter of its functions, but rather should support it in the case of need and help to coordinate its activities with the activities of the rest of the society, always with a view to the common good (quoted in Mele, 2004:3).

From these definitions, it is worth noting that the principle of subsidiarity is concerned with the following:

- Tasks that can be performed by an individual should not be taken and given to the community.
- What the lower group or people at the community levels can perform should not be transferred to the higher levels.
- Things that can be done out of private initiatives should not be done by the state.
- The individual, group or community at the lower level is not supposed to ask for help in situations where they can adequately help themselves.
- The higher levels of the state should interfere only if the lower levels seek assistance.
- Social justice at all levels of the society beginning from the family, individual, group, community, locality, and state should make way for cooperation since every social activity by nature can be of help to members of the society (Kokor, 2001).

The subsidiarity principle can be linked to the multi-tiered local government structure in Ghana generally referred to as the District Assemblies. This comprises the Regional Coordinating Councils at the top level, a four-tier Metropolitan Assembly and three-tier Municipal and District Assemblies at the second level (MLGRD, 1996). Acts 462 (1993), 479 and 480 (1994), give legal backing for Assemblies to initiate, plan and manage development policies and programme to bring about development in the district. Further, Articles 245 and 252 of the 1992 Constitution and Section 34, Part VII and Part VIII of Act 462 have also made provisions for MMDAs to be financed through internally generated funds (IGF), transfers from Central Government and donor support. Given the principles guiding subsidiarity, the question that needs to be asked is: What means are available for the lower and higher levels to perform the tasks assigned to them? This leads to an empirical review of the literature on the prospects of local governments in relation to revenue mobilisation.

Prospects of Local Governments in Relation to Revenue Mobilisation

Prospect can be an opportunity, expectation or hope for the future. Prospects of local governments are their financial or revenue expectations and avenues for realising these for the purpose of carrying out development activities. In other words, they are major areas in which local governments expect to get revenues or opportunities available to them to mobilise revenues. Local governments in sub-Saharan Africa are increasingly facing so much pressure in relation to how to finance urban services and infrastructure with limited resources at hand (Inam, 2020). As such, local governments should exploit the potential of optimising underutilized and redundant properties for higher value usage, obtaining income

from unused sites by leasing out properties, selling off properties that are no longer in use, charging of fees to access and use of government owned spaces and the use of technology and environmentally friendly systems to reduce utility cost, among others (Inam, 2020).

According to Martinez-Vazquez (2015), local governments can also exploit the option of vehicle and transportation taxes since there is a strong relationship between vehicle ownership and the use of local infrastructure and service. In most parts of the developing world, there has been a growth in the usage of motorcycles by both the urban poor and rural dwellers for economic activities (Dinye & Ahmed, 2013). These means of transportation often come with the usage of local infrastructure such as roads and a general expansion of the local economy. This is expected to boost local governments' revenue baskets. Amoako et al. (2022) on their study on revenue mobilisation by local governments in Ghana have indicated that local governments can improve their revenues through tourism. This can be done through investing in the production of souvenirs for tourists.

Biitir and Asiamah (2015) advocated for a much more objectivity and accuracy in assessing property rates and licensing. This, according to them, can be done by employing computer applications that can evaluate and assess tax equity. In a similar analysis, Dzansi et al. (2017) suggested that local governments can improve their performance by employing revenue management software and geolocated property base. They further recommended that; local governments should employ electronic pay system to reduce the cost of collection.

Local governments can also generate revenues through agricultural resource management by making resources accessible and available to farmers (Wakil & Abass, 2020). This is expected to boost agricultural production and create employment for the unemployed youth. Zhu et al. (2018) in a study in China, also revealed that anytime local governments invest in agriculture, farmers' investment in agriculture also increases because of the linkages. This implies that once local governments invest in agriculture, they tend to create some forward and backward linkages which help in improving the economic fortunes within their jurisdictions.

Study Area and Methods

Study Area

The Wa Municipality is bordered to the North by the Nadowli District, to the East by Wa East District, to the West by Wa West District and to the South by both Wa East and West Districts. It has a landmass area of approximately 23,474 square kilometres which is about 6.4% of the region (WMA, 2018). It has five Zonal Councils (Wa, Busa, Kperisi, Kpongung and Boli) with 73 Unit Committees. Each community in the municipality has a unit committee that works through the Area /Urban Councils to the Assembly level (WMA, 2022c).

The Wa Municipal Assembly is composed of 44 Assembly members. Two-thirds are elected, and the remaining one-third appointed by the president in consultation with opinion leaders of the Municipality (WMA, 2022c). There are five mandatory sub-committees within the Municipal Assembly. The 2021 Population and Housing Census of Ghana puts the total population of Wa Municipal at 200,672; the male population stands at 98,493 (49.08%) while the female's stands at 102,179 (50.92%) (Ghana Statistical Service, 2021).

Research Design, Sampling and Data Collection

The research was both descriptive and analytic using qualitative and quantitative methodology. The qualitative data were collected from 1st to 31st December 2022 through interviews. The target population consisted of people who are directly involved in the resource mobilisation and development of the municipality at the Assembly. This included the core Municipal Assembly staff (that is, Municipal Chief Executive, Municipal Planning Officer, Municipal Finance Officer, and Municipal Budget Officer), the Assembly Persons, Zonal Council Chairpersons, Revenue Collectors, and others such as business enterprises and property rate payers.

Purposive sampling was employed to select the core Municipal Assembly staff, namely, the Municipal Chief Executive, Municipal Planning Officer, Municipal Finance Officer, and the Municipal Budget Officer. Purposive sampling was also employed to select the five Zonal Council Chairpersons in the municipality. This is because they had the knowledge and expertise in the financing of local level development.

There are 44 Assembly Persons under Wa Municipal Assembly (WMA, 2022c). A census was thus conducted to include the entire Assembly persons. To get the sample size for the community members who pay rates and fees and charges, stratified sampling technique was used. Based on a sample frame of property owners and registered businesses from the Municipal Assembly's records, the required sample size was determined using Yamane's (1967) sample size determination formula of $n = \frac{N}{1 + Ne^2}$, where N is the sample frame or total population, e the level of precision, and at confidence level of 95%, the value of e is 0.05 and 1 is a constant.

The Wa Municipal Assembly records (WMA, 2022d) indicate there are 20,629 registered property owners and 1,173 registered enterprises within the municipality. The sample size for levy payers is therefore given as $n = 392.7$. This was rounded off to 393.

From a sample size of 393, the proportion of property owners is given by 371.85 and this was rounded off to 372. The proportion of registered businesses is also given by 21.14. Thus, 372 property owners and 21 registered businesses give a total sample size of 393 community members who pay property rates, fees, and licences. A census was also conducted on revenue collectors to get the required sample size. According to the revenue division of the Municipal Assembly, there are 8 non-commissioned and 13 commissioned revenue collectors for the entire municipality (WMA, 2022e). This gave a target population of 21 revenue collectors. In sum, the study used a sample size of 467.

Secondary data were sourced from the Wa Municipal Assembly's yearly records on the budget estimates and actual performance of revenues within the municipality. The Assembly's yearly records indicate the budget estimates and the actual performance of internally generated funds (rates, lands, rent, fees and fines, licenses, investment and miscellaneous). The report also includes support from the central government and other donor agencies within the municipality. Structured and semi-structured interviews were conducted on the chosen sample to gather primary data on the prospects available to the Assembly to increase levels of revenue generation.

Data Analysis

The research captured the responses and recordings of the respondents which were then analysed according to themes and conclusions made. The revenue performance was analysed using the Revenue Collection Index (RCI) for the period 2017 to 2022. It is the ratio of the total actual revenue mobilised or collected to the total estimated target over a given period of time. This is given by:

The choice of this index is for the reason that it takes into account the amount of local revenues generated within a period of time. One limitation of the Revenue Collection Index is that it demands so much accuracy in both the recorded accounts and the estimated revenues so as to guarantee its reliability. Again, there can be some level of bias in analysing and interpreting the performance of revenues as it is subject to different revenue estimates, especially where these estimates are arbitrarily determined, over a given period. For instance, if targets are overestimated the index will be low, which illustrates poor performance. Alternatively, if the revenues collected are under recorded, the index would be low when in actual sense the potential revenue would have been collected. In dealing with this challenge, the study computed the average estimated performance of each of the revenue heads over a period of six years (2017-2022) using excel. This was then used as a base for the computation of the actual revenue performance of each of the revenue heads within the study period (2017-2022). The Corrected Revenue Collection Index (CRCI) is then given as:

$$CRCI = \frac{TAR}{ATER}$$

where TAR (Total Actual Revenue) is the yearly total revenues accrued by each revenue head. The Average Total Estimated Revenue (ATER) is the sum of Total Estimated Revenues (TER) over a six-year period (2017-2022), divided by the Number of Years (NY) under study (i.e., six years). That is:

$$ATER = \frac{\sum TER}{NY}$$

SPSS version 20 was used to summarise the multiple responses on the prospects of the Wa Municipal Assembly in relation to revenue generation.

Results and Discussion

The prospects of Wa Municipal Assembly are discussed in relation to its levels of revenue generation. It answers the research question; how do the prospects available to the Assembly reflect in its levels of revenue generation? This is done by analysing the performance of the various revenue heads, and the prospects available to increase levels of revenue generation.

The Assembly's Revenue Performance

In Ghana, measuring revenue performance forms one of the bases of the District Assembly concept. This is because revenue performance is necessary in establishing the economic efficiency and effectiveness of revenue collection efforts and pins down accountability (Kessey, 1995). The 1992 Constitution's Section 34, Part VII and Part VIII of Act 462 made provisions for MMDAs to be financed through sources such as internally generated funds (IGFs), transfers from Central Government and donor support. IGF forms the traditional source of revenue to MMDAs as listed under the Sixth Schedule of Section 86 of the Local

Government Act 462 of 1993. The Assembly's main sources of IGFs are rates, fees and charges, licences, and investment activities.

The Assembly's rates comprise cattle rates, bicycle rates and property rates (residential, commercial, industrial, among others). Each of these types of rates attracts different amount. Because the municipality is a regional capital, there exist quite several residential, commercial and industrial activities, making property rates to be of great importance to the Assembly. Property rates are based on valuation of properties within the municipality. Table 1 shows the performance of rates from 2017 to 2022.

Table 1. The performance of rates (2017-2022)

Year	Estimated revenues (GH¢)	Average estimated revenues (GH¢)	Actual revenues (GH¢)	CRCI
2017	153,000.00	208,796.58	37,248.38	0.18
2018	145,000.00	208,796.58	45,000.00	0.22
2019	124,735.45	208,796.58	74,598.74	0.35
2020	375,500.00	208,796.58	94,784.00	0.45
2021	413,049.00	208,796.58	36,520.00	0.17
2022	41,495.00	208,796.58	75,837.00	0.36

Source: Computed from the WMA yearly revenue performance records (2022)

In Table 1, the performance of rates as one of the Assembly's revenue sources has been unstable due to the annual difference created by the source. The performance of rates was between 0.17 and 0.45. In 2020, the Assembly raised much revenue (0.45) than all the other years, this was followed by 2022 (0.36) and then 2019 (0.35). The Assembly however recorded its lowest performance in 2021. According to the Finance Officer, this was because of a delay in the issuance of demand notices to property owners due to some property valuation exercise the Assembly undertook.

Lands represent another source of revenue to the Wa Municipal Assembly. Revenue items such as penalty on unauthorised buildings, issuance of building permits, mounting of billboards and Assembly land royalties constitute lands. In Table 2, the performance of lands has been remarkable, compared to that of rates.

Table 2: The performance of lands (2017-2022)

Year	Estimated revenue (GH¢)	Average estimated revenues (GH¢)	Actual revenues (GH¢)	CRCI
2017	209,709.00	183,109.66	109,350.00	0.59
2018	130,000.00	183,109.66	60,322.26	0.32
2019	45,394.00	183,109.66	62,350.94	0.34
2020	85,394.00	183,109.66	51,015.00	0.28
2021	572,271.85	183,109.66	64,010.00	0.35
2022	55,889.12	183,109.66	156,863.78	0.86

Source: Computed from the WMA yearly revenue performance records (2022)

On the average, lands never met its revenue targets from 2017 to 2022. Apart from 2017, the Assembly's performance never exceeded 50% until 2022 where an 86% (0.86)

performance was achieved. The high performance may be attributed to the improved revenue mobilisation effort and effective supervision and monitoring the Assembly undertook.

The Wa Municipal Assembly also receives revenue through licences. Licences entail charges on operating businesses and industries. Licences have the following to be the major sources: artisan licence, corn mill operators, store licence, chop bar and restaurants licences, registration of contractors and printing press. Other areas in which licences are charged include metro weekly lotto, legal practitioners, registration of businesses premises, private and commercial vehicle registration, among others. Table 3 shows the performance of licences from 2017 to 2022.

Table 3: The performance of licences (2017-2022)

Year	Estimated revenues (GH¢)	Average estimated revenues (GH¢)	Actual Revenues (GH¢)	CRCI
2017	273,633.00	446,311.97	292,573.00	0.66
2018	370,580.00	446,311.97	305,036.50	0.68
2019	335,999.04	446,311.97	508,918.00	1.14
2020	520,247.00	446,311.97	541,970.00	1.21
2021	198,278.00	446,311.97	617,391.18	1.38
2022	979,134.79	446,311.97	605,722.00	1.35

Source: Computed from the WMA yearly revenue performance records (2022)

From Table 3, the performance of licences over the six periods has been very impressive. Licences exceeded the average 6-year period targets of the Assembly except for 2017 and 2018. The continuous high performance of licences was attributed to the springing up of more small businesses, effective revenue mobilisation, improved monitoring, and the rotation of revenue collectors.

Rent is another source of revenue to the Wa Municipal Assembly. It forms the kind of local revenue source that is generated from immovable assets owned by the Assembly. Assembly quarters, hiring of market stores, market sheds, projector, Assembly Hall and plastic chairs constitute the revenue items under rent. Rent collected was between 0.44 (44%) and 1.56 (156%) of the projected within the six-year period. The continual improvement in revenues from rents was attributed to the restructuring and construction of the Assembly's market sheds and stores within the municipality. The performance of rent is shown in Table 4.

Table 4: The performance of rent (2017-2022)

Year	Estimated revenues (GH¢)	Average estimated revenues (GH¢)	Actual revenues (GH¢)	CRCI
2017	12,250.00	166,119.25	73,550.00	0.44
2018	22,000.00	166,119.25	81,858.00	0.49
2019	107,798.00	166,119.25	130,948.00	0.79
2020	180,253.00	166,119.25	172,400.00	1.03
2021	614,043.25	166,119.25	259,758.98	1.56
2022	60,371.24	166,119.25	161,640.00	0.97

Source: Computed from the WMA yearly revenue performance record (2022)

Further, fees and fines also constitute another revenue source available to the Assembly. Per section 34 of the Local Government Act and the guidelines set by the Ministry of Local Government, Assemblies are supposed to levy fees on several items. Table 5 shows how fees and fines have fared from 2017 to 2022.

Table 5: The Performance of Fees and Fines (2017-2022)

Year	Estimated revenues (GH¢)	Average estimated revenue (GH¢)	Actual revenues (GH¢)	CRCI
2017	345,800.00	414,044.07	292,782.00	0.70
2018	323,453.00	414,044.07	327,020.90	0.79
2019	408,169.00	414,044.07	393,280.00	0.95
2020	558,221.14	414,044.07	2,547.38	0.01
2021	93,934.28	414,044.07	411,326.38	0.99
2022	754,686.97	414,044.07	455,458.80	1.10

Source: Computed from the WMA yearly revenue performance record (2022)

The Wa Municipal Assembly levies fees and charges such as market tolls, lorry park fees, slaughterhouse fees, waste disposal fees, public toilet fees, cattle kraal fees, private stores fees, sanitary offences fees, among others. Fees and fines constitute one of the revenue sources that contribute more to internal revenue generation in the Assembly. In Table 5, fees and fines have had very good performance throughout the six-year period except for 2020. According to the Assembly's Budget Officer, the low actual revenues in 2020 was not because the Assembly did not receive much but was as a result of some Revenue Collectors' inability to decipher between the various revenues heads. This resulted in the addition of proceeds from fees and fines to some other revenue heads which could not be traced. The good performance of fees and fines over the period was however attributed to effective revenue mobilisation and supervision, the rapid increase in Micro, Small and Medium Scale Enterprises (MSMEs) and several other commercial activities within the municipality. Another reason was on the review of contract with the GPRTU to collect lorry park, landing and exportation fees. The study unearthed the noteworthy role fees and fines play in the mobilisation of internal revenues and for that matter the Wa Municipal Assembly should not downplay their importance. Further, the rise in fees and fines over the years demands serious attention by the Wa Municipal Assembly to put in place appropriate mechanisms to ensure adequate revenue accruing from that source.

Investment is supposed to be another major revenue source to the Wa Municipal Assembly. Sadly, however, this revenue source did not record any amount of money for the Assembly throughout the six-year period. Over the years, the Assembly purchased a cesspit emptier, bulldozer and grader to undertake some services within the municipality at a fee. Again, with Sister City collaboration between Wa Municipal Assembly and Ieper city in Belgium, a fruit juice factory was established as a form of investment. These investments could not be sustained for a longer period. There has not been any service rendering from these equipment since 2013 as a result of major breakdowns. The fruit juice factory also suffered some losses due to mismanagement of activities. By 2013, all investment activities had come to a halt. The bulldozer, grader, and cesspit emptier were all grounded. The fruit juice

factory was also shut down and privatised. These results were attributed to a complete lack of commitment and mismanagement of investment activities at the Assembly.

The last, but not the least, source of revenue available to the Assembly is miscellaneous. The Wa Municipal Assembly considers miscellaneous to be all items which cannot be categorised under any of the major revenue sources. Sale of bid documents, overpayment recovery, unclaimed salaries, and unspecified receipts such as donations are among the items that constitute the Assembly's miscellaneous revenue item. Table 6 presents the performance of miscellaneous.

Table 6: The Performance of Miscellaneous (2017-2022)

Year	Estimated revenues (GH¢)	Average estimated revenue (GH¢)	Actual revenues (GH¢)	CRCI
2017	700.00	700.00	10,020.70	14.31
2018	-	700.00	126,019.29	180.03
2019	-	700.00	86,041.33	122.92
2020	-	700.00	43,775.90	62.54
2021	-	700.00	200.00	0.29
2022	-	700.00	900.00	1.29

Source: Computed from the WMA yearly revenue performance record (2022)

The performance of miscellaneous category has been highly unstable due to the nature of the sources of revenue accruing from it. Some of the revenues come to the Assembly unexpectedly as against the case of the other revenue items where mobilisation efforts are needed. For these reasons, the Assembly sometimes does not specifically give any budget estimate.

Apart from these IGF sources, the Assembly also receives some form of external funds, known as grants. These grants include government subventions, the District Assembly Common Fund (DACF), District Development Facility (DDF), and Urban Development Grant (UDG). Other sources include funds from the Multi-Sectoral HIV/AIDS Programme (MSHAP), United Nations International Children Emergency Fund (UNICEF) and Canadian Development Agency. The next subsection discusses the contribution of both the IGF and grants to the total receipts of the Assembly from 2017 to 2022.

The Contribution of IGF and Grants to Total Revenues

In the analysis of the performance of the various internal sources of revenues (rates, fees and fines, licences, rent, investment and miscellaneous) to the assembly, one could observe a very promising performance throughout the six-year period (2017-2022). Surprisingly, when all the IGFs are put together and juxtaposed with the overall receipt in each year it could be observed that the performance of IGF to total receipts has been inadequate. Table 7 gives an outlook on the contribution of IGF and grants over a period of six years (2017-2022).

Table 7: The contribution of Grants and IGF to total receipts (2017-2022)

Year	Grants (GH¢)	IGF (GH¢)	Total receipts (GH¢)	Grants (%)	IGF (%)
2017	3,250,684.49	815,524.88	4,066,209.37	79.94	20.06
2018	3,249,557.43	945,463.31	4,195,020.74	77.46	22.54
2019	4,420,512.94	1,255,409.96	5,675,922.90	77.88	22.12
2020	10,268,804.13	1,112,470.18	11,381,274.31	90.22	9.77
2021	8,692,407.13	1,389,206.54	10,081,613.67	86.22	13.78
2022	3,502,991.81	1,456,421.58	4,959,413.39	70.63	29.37

Source: Computed from the WMA yearly revenue performance record (2022)

The inadequacy of the IGF to total receipts of the Assembly confirms Bandie's (2015) study on the effects of the District Assembly's Common Fund in the Upper West and Upper East Regions of Ghana. In Table 7, the highest contribution ever made in the six-year period by IGF to total revenues was 29.37% in 2022 whilst the lowest was 9.77% in 2020. The contribution of grants has been so enormous to the extent that it contributes over 70% of the total receipts in each year. This shows clearly that the Assembly relies so much on external sources to finance local level development. It can therefore be concluded that the Wa Municipal Assembly's main source of funding for development activities is grants. This implies that anytime there is a delay or non-release of funds from the government or donors, the execution of development projects tends to suffer some setbacks. It is therefore worth stating that the Assembly needs to develop good resource mobilisation strategies and exploit some of the unearthed opportunities within and outside the municipality so as to enhance its revenue performance. What available prospects exist within the municipality such that the Assembly can harness to increase its level of revenue generation? This is analysed next as the study presents the prospects available to the Assembly to increase its levels of revenue generation.

Revenue Generation Prospects of the Wa Municipal Assembly

Data collected show that there are several ways through which the Assembly can increase its levels of revenue generation. The prospects are considered as the opportunities available within the municipality for the Assembly to harness to increase revenues. All the 467 respondents gave multiple responses as prospects to increase levels of revenue generation by the Assembly. These prospects were generally within the area of tourism promotion, investment in agriculture and small-scale industrial activities, identification and exploitation of potential areas, construction of income generation projects, improving on data base, outsourcing, taking advantage of the external markets and presence of Non-Governmental Organisations (NGO's) and Civil Society Organisations (CSO's). Table 8 presents the revenue generation prospects of the WMA. The table accounts for the number of respondents and percentages as well as the percentage of multiple responses in each of the prospects.

One of the prospects that the study came across was the promotion of tourism activities within the municipality. This confirms a similar study by Amoako et al. (2022) on how local

governments can use tourism to generate more revenues. In Table 8, 383 (82%) respondents chose tourism promotion as one of the ways the Assembly can harness to increase levels of revenue generation. This constituted about 10.6% of all the multiple responses of the study.

Table 8: Revenue Generation Prospects of the Wa Municipal Assembly

Revenue generation prospects	Number of respondents	Percentage of respondents	Percentage of responses
Tourism promotion	383	82.0%	10.6%
Investment in Agriculture	340	72.8%	9.4%
Investing in small scale industries	383	82.0%	10.6%
Identification of potential areas	340	72.8%	9.4%
Construction of income generation projects (car parks, tollbooths, toilet facilities)	340	72.8%	9.4%
Improving on database	341	73.0%	9.4%
Outsourcing	382	81.8%	10.5%
External markets	341	73.0%	9.4%
Presence of NGOs/CBOs	424	90.8%	11.7%
Total	467	-	100.0%

Source: Field survey, 2022

According to the respondents, the municipality has some tourists' attractions which when developed and promoted will help in increasing the Assembly's levels of revenue generation. Some of these tourists sites are the Wa-Naa Palace which is a symbol of authority of one of the three epical authorities of Wa traditional area, built as a flat roofed magnificent traditional building and rumble stripped walls; the Dzendzen Pool, George E. Ferguson Tomb (the first agent of the Governor of the Gold Coast Colony to reach Wa on May 4th 1894), the Western Sudanese style built mosques like the Centenarian Mosque at Nakor. Other areas worth promoting are the traditional mud houses/buildings, Zumbeti and Damba festivals, traditional dances such as Dugu, Damba, Gangan Bawa and Jingo.

Another prospect was for the Assembly to invest in agriculture. This agrees with the findings of Wakil and Abass (2020) and Zhu et al. (2018) on the need to manage and invest in agriculture by local governments. About 340 (72.8%) respondents indicated investing in agriculture can help improve the Assembly's level of revenue generation. Agriculture is a major economic activity undertaken by the people of Wa Municipality. Investment in agriculture will therefore benefit the municipality in two ways. Firstly, it will help in lifting a lot of people out of poverty and, secondly, aiding the Assembly to increase its levels of revenue generation. The information from respondents revealed that there are several areas of agriculture that the Assembly can exploit. These include investment in food crops such as soya beans, groundnut, Bambara, and millet, creating Assembly farms and building more irrigation facilities to ensure all-year farming. The Assembly can also invest in economic trees such as shea, teak, and mango. Also, the Assembly can invest in the nursing of seedlings for sale especially for residential purposes. Another area of agriculture the Assembly can invest in is rearing animals such as poultry/guinea fowls, goats, sheep, cattle, and aqua culture.

Investing in small scale industrial activities was also one of the prospects identified by 383 (82%) of the respondents and 10.6% of all the multiple responses. Areas such as shea butter

extraction, groundnut oil extraction, soya bean oil extraction and meat production were identified by respondents as avenues the Assembly can exploit to help increase their levels of revenue generation. Another area is the promotion of the traditional cloth by creating small scale weaving industries for training purposes and for employing the youth within the municipality. All these products will not only be sold in Wa town, but the entire country. Data gathered from the field revealed that, if the Wa Municipal Assembly invests in small scale industrial activities, it will not only aid revenue generation but also create employment for the youth.

About 340 (72.8%) respondents also revealed that, the Wa Municipal Assembly can expand its revenue base by identifying and exploiting potential areas within the municipality. The respondents indicated the Assembly can increase its levels of revenue generation by exploiting areas such as the collection of basic rates which the Assembly has not been charging. The Assembly can also exploit the proliferation in the usage of motorbikes within the municipality by instituting motorbike rates and licences. Data from the Driver Vehicle and Licencing Authority (DVLA) (2022) show an increasing number of motorbikes and tricycles within the municipality. Table 9 shows the number of registered motorbikes and tricycles from 2017 to 2022.

Table 9: Number of registered motorbikes and tricycles (2017-2022)

Year	Motorcycle	Tricycle	Total
2017	7,069	264	7,333
2018	7,173	843	8,016
2019	7,041	1,021	8,062
2020	10,686	1,753	12,439
2021	10,309	2,327	12,636
2022	7,910	1,728	9,638

Source: Field survey, 2022

In Table 9, the number of motorcycles and tricycles registered each year is over 7000 within the Municipality. This gives an opportunity for the Assembly to tap some resources from it. The Assembly can institute motorbike and tricycle rates for residence with these assets to pay some levy to widen its revenue base. This, when effectively done, can go a long way to improve its internally generated funds. This reflects Martinez-Vazquez's (2015) study on mobilising financial resources for public service delivery and urban development where he suggested a vehicle and transport tax system for local governments to increase revenues.

Other potential areas identified by 340 (72.8%) respondents include the construction of car parks, toll booths, more market stores, and stalls to reduce the proliferation of small container stores along major streets and on unauthorised sites. According to the WMA (2018), the municipality has five trunk road networks along two stretches. These are Wa-Kumasi, Wa-Tamale on one stretch, Wa-Dorimon/Burkina Faso, Lawra-Hamile, and Tumu-Navrongo-Bolgatanga-Leo on the other stretch. This makes the municipality to experience over 200 vehicular passages daily with over 300 commercial private vehicles population. Also, quite a number of these vehicles consist of large trucks dominated by private operators (WMA, 2018). By constructing toll booths on these trunk roads, the Assembly stands the chance of increasing its revenues. Assuming the Assembly charges GH¢2 per vehicle on each road, then on daily basis the Assembly can mobilise a minimum of GH¢400 granted that the minimum vehicular passage is 200. This is equivalent to GH¢ 12,000 per

month and GH¢288,000 in a year. The 2021 PHC also shows that there are 46 public sanitation facilities (31 KVIPs, 13 pit latrines, 2 water closet public toilets) in the Wa Municipality. The inadequacy of these facilities has paved way for people to resort to open fields for defaecation since they have no toilet facilities in their homes. What is more worrying is the fact that these facilities are situated only within some parts of the regional capital. Out of the 90 communities and villages under the municipality, only 28 communities have access to these sanitation facilities. Invariably, majority of the rural households are without toilet facilities. The study revealed that the Assembly can harness this opportunity by constructing more public toilet facilities within the municipality for the purpose of generating revenues while at the same time improving sanitation. When all these are done, the Assembly will have the prospect of increasing its fees and licences components of the IGF.

Improving the data base was also indicated by 341 (73%) respondents as a prospect area for the Assembly to increase its levels of revenue generation. The respondents indicated that, for the Assembly to increase its revenue generation, a strong data base is needed on areas where they collect levies and to make proper valuation of properties. Old and new businesses and properties can be collated properly to aid in revenue collection. This supports a study by Inam (2020) on unlocking the financial potential of local government-owned land and buildings in sub-Saharan Africa. The respondents further stated that, the municipal capital (Wa) has several good arterial road networks linking some demarcated sectors such as Airport Residential Area, parts of Dzudedayiri, Degu Residential Area and the Kpaguri/Tendamba/Xavier Area. Other new areas are Banungoma, Bamahu, parts of Danko, Napogbakole Extension Residential, Sombo and Airport West. The nature of the properties in these areas can serve as sources of revenues to the Assembly only if they are properly identified and mapped out, surveyed and valued. Some of the respondents revealed the Assembly can do this by employing the unemployed youth within the municipality who are knowledgeable in collecting data on new and existing businesses and properties.

Further, 382 (81.8%) of the respondents indicated the Wa Municipal Assembly can draw some advantage from professionals in other MMDAs through outsourcing. These professionals can help in building a strong data base, offer good accounting and management practices/system and software for the Assembly. When the Assembly outsources for professionals in areas like a software for collation of database and revenue collection, it will go a long way to aid in increasing revenues for the Assembly and for that matter making funds available for financing local level development activities. These findings corroborate the revelations by Biitir and Assiamah (2015) and Dzansi et al. (2017) on the need to use technology in the collection of database and revenues in Ghana.

Another vital prospect that came up during the study was on the Assembly taking advantage of the external markets surrounding it in other MMDAs and internationally. The Wa Municipality is surrounded by the Nadowli, Wa West and Wa East Districts. Other districts within Upper West Region include Sissala West and East Districts, Lambusie-Karni, Nandom and Jirapa Districts. These districts form potential markets for the Assembly to market its products and even beyond. According to 341(73%) respondents, the Assembly can also resort to international markets in neighbouring Burkina Faso and Cote d'Ivoire by selling outputs from their small-scale industries and agricultural products in these markets.

The last, but not the least prospect, identified by 424 (90.8%) respondents was for the Assembly to take advantage of the presence of NGOs, CBOs, multi and bilateral state agencies such as USAID, UNICEF, WFP, EU Micro Project, CARE International, among others. According to a respondent who is a property rate payer:

NGOs and CBOs can provide funding for key development areas such as education, health, roads, water and sanitation, and food security. They also supervise project implementation, provide for good governance procedures, providing technical assistance in areas like revenue enhancement and capacity building (Bashiru Issah, Zongo, 17/ 12/ 2022).

Other respondents held the view that the Assembly needs to develop good proposals, develop the ability to lobby, advocate and communicate effectively with donors to accept their proposal.

Conclusion

The study evaluated the prospects of the Wa Municipal Assembly in relation to its levels of revenue generation. Primary and secondary data were used for the study. Questionnaires and structured interviews were used to collect primary data from 467 respondents within the Wa Municipality. The study also collected secondary data from the Wa Municipal Assembly's yearly revenue performance records.

The study unravelled the performance of licences, fees and fines and rents almost achieving their targets (CRCI of between 0.01 to 1.56) and thus contributing to the overall IGF of the Assembly. Much more efforts need to be put in place by the Assembly to ensure that the performance of these three revenue heads does not dwindle over time. Again, proper training should be given to revenue collectors on how to properly take records of proceeds accruing from fees and fines. This is to help prevent the recording of low amounts accruing to fees and fines as happened in 2020. The performance of rates has not also been so remarkable as the performance was between 0.17 to 0.36. Proper identification and valuations of properties must be done by the Assembly as early as possible to improve on performance.

The study also revealed that the overall contribution of IGF to the total revenues of the Assembly has been very minimal. Whereas grants accounted for about 70% to 90% of all the Assembly's receipts, IGF accounted for only about 9% to 29%, a clear manifestation of the Assembly relying so heavily on grants to finance its development activities. The Assembly therefore needs to exploit more and new avenues of revenue generation and resource mobilisation strategies to increase their revenue base. This will help reduce their overly reliance on grants with its attending problem of unpredictability.

The study concludes with a number of prospects available to the Assembly for it to harness to improve on its revenue performance. These are tourism promotion, investment in agriculture and small-scale enterprises, identification of potential areas, construction of revenue generating projects, improving on database, outsourcing, taking advantage of external markets, and the presence of NGOs, and CBOs. Over 70% of all the respondents chose one or more of these prospects of revenue generation. The respondents are certain

these prospects can improve the revenue basket of the Assembly. The Wa Municipal Assembly must take keen interest in developing these areas identified as prospects to improve on their low IGF performance.

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