Global Virtual Workshop
Building Urban Economic Resilience during and after COVID-19

Case Study: Accra, Ghana
August 17, 2020
City Location and Profile

- Accra is the capital city of Ghana.
- It is the largest of all the Cities in Ghana hosting government administrative machinery and infrastructure.
- It also serves as the major commercial, industrial and educational hub in Ghana.
- Based on the 2010 census, Accra Metropolitan Area is noted to have a population of about 2 million with additional 2 million residents living in the Greater Accra area, which covers a total land size of 3,245sq km.
- The Accra Metropolitan Area is the most significant political zone in Ghana where major political decisions, administration of justice as well the planning and management of Ghana’s economic development are formulated.

- The Major recurring disasters before Covid-19 are:
  - Flooding
  - Cholera outbreak
  - Drought
Brief description of Covid-19 crisis in the city

- The first reported cases of Covid-19 in Accra occurred on 12 March 2020.
- Out of total cases of 42,210 recorded in Ghana as at 13 August 2020, Accra accounts for half of all cases. The Ghana Health Service reports that 231 persons dying from the corona virus as at the same date.
- Ghana and Accra have made successful gains in managing cases and attaining lower fatality rate.
- Some of the major challenges are attaining higher daily tests, continued social support for covid-19 patients and enforcing compliance with all state directives in public areas to ensure safety and protection of all citizens.
- Also Accra has a massive challenge to support an ever-increasing vulnerable communities and persons whose means of livelihood has been degraded by the covid-19, as well as to protect this group from contraction of the virus.
- Another impact has been significant loss of internally generated funding leading to budget shortfall of more than USD1.7 million.
Main economic and financial impacts

IMPACT ON LABOUR MARKET

- The Pandemic led to loss of jobs and livelihood for workers within the Cities’ private sector.
- The most affected class of workers are those in the hospitality industry, and teachers, restaurants and food vendors.
- Ghana Statistical Service job survey between June 10th to June 25th reports that 7 out of 10 respondents reported not to have worked in the past 7 days.
- 77% of all household respondent reported significant decrease in their household income out of which 88% were among a category of persons who received wages and salaried from non-family owned businesses.
- Approximately 1.4% of the labour force lost their jobs through lay-offs and closure.
Main economic and financial impacts

IMPACT ON BUSINESS ENVIRONMENT
- Significant uncertainty were recorded among business over sales and employment.
- Average decline in sales of 25% and employment of about 14% have been estimated in the worst-case scenario.

IMPACT ON FINANCIAL ENVIRONMENT
- Major cashflow challenges have been experienced by most businesses.
- Also, some businesses report difficulty in accessing credit arising from banks tightening lending conditions.

ECONOMIC GOVERNANCE ARRANGEMENT
- The pandemic unleashes several public interventions to limit its impact on the economy. The most prominent response at the City level was the formation of the Public Health Emergency Response Committee to seek budgetary support from the private sector finance the Cities health response.
- The City also focused on its Disaster Management unit collaboration with the National Disaster Management Organization to coordinate on access and supply of relief items to the vulnerable.
Crisis response

- The core of the Cities crisis management strategy was to limit impact of Covid-19 on the informal economy and the vulnerable residence in the Metropolis.
- The Local Government Authority is the primary responder to crisis within its jurisdiction, and is tasked to provide leadership and coordinate all responses leading to the eventual containment of the crisis.
- The Metropolis worked closely with Ghana Health Service, National Disaster Management Organization and the Security Forces to arrange effective crisis response to the pandemic.
- The key challenge was resource constraint on the City to fully fund the crisis management responses.
- The City also noted activities of some private sector participants who organize on their own without coordinating with the City’s response duplicating efforts and relief responses in some cases.
Examples of local response and recovery measures

- The City has worked extremely hard to open up the informal markets in Accra.
- This the City considers this crucial considering that 70% of the residents work in the informal economy.
- The City managed to achieve a successful recovery of the informal markets owing to raft of policy interventions.
- The Public Sector has avoided complete shut down through promotion of work from home schemes.
- Private Sector participants have organized the Private Sector Covid-19 Fund which has raised substantial funding being currently invested into provision of more health facilities across the country.
Mid- to long-term economic recovery strategy/plans

- In line with the development of our mid to long term development economic plans, the City of Accra will be working with the National Development Planning Commission to fashion out a long-term economic response plan to the pandemic.

- The key focus of the City’s long medium to long term economic recovery will still remain on attaining growth within the informal market, improving skills and the entrepreneurial capacities of the residents and to provide economic opportunities through partnerships to empower vulnerable groups attain connection into the economic mainstream.

- The City will also continue to focus on its greening and beautification initiative as a key climate mitigating measure to bring some balance between the urban sprawl and maintenance of vegetation.

- The key stakeholders anticipated to work with the city achieve a comprehensive build back of our economies will include Central Government, Development Partners, Private Sector

- The City will also invest in modern revenue collection systems to improve IGF collections.
Thank you for your attention