

# Property Tax in Africa: Status, Challenges, and Prospects

By Riël Franzsen and William McCluskey

**AFRICA'S RAPID GROWTH AND URBANIZATION WILL REQUIRE STABLE LOCAL** governments to deliver goods and services to billions of people. Authors Riël Franzsen and William McCluskey suggest that the property tax can help communities in Africa manage this challenge.

In *Property Tax in Africa: Status, Challenges, and Prospects*, Franzsen and McCluskey of the African Tax Institute at the University of Pretoria provide the first comprehensive study of the property tax on the continent, laying out challenges, opportunities, and pathways to improvement. They analyze property tax systems in 29 countries and offer four regional overviews, highlighting the key political, administrative, and technical issues that affect how these systems function.

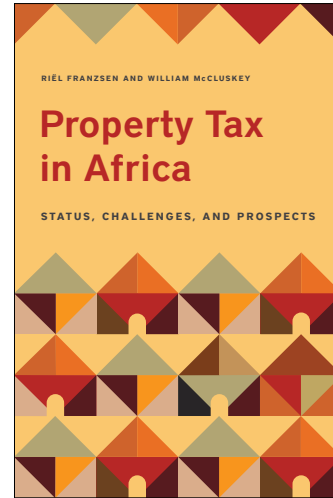
The book comes at a critical time for Africa. The world's fastest growing continent, Africa has added more than 500 million people since 1990, and by 2050 it will hold a quarter of the world's population. The continent is rapidly

urbanizing and, together with Asia, will absorb most of the world's urban growth in the coming decades.

"Nowhere are the fiscal challenges of urbanization more pronounced than in Africa," Lincoln Institute President and CEO George W. "Mac" McCarthy writes in the book's foreword. "It will require a lot of work to establish high-functioning systems capable of delivering reliable annual revenue flows to help cities make ends meet. But there is plenty of room for optimism."

Some African cities generate significant revenues from the property tax, despite the relatively low utilization of the tax in most African countries: 42 percent of all locally generated revenue in Freetown, Sierra Leone; 23 percent in Nairobi, Kenya; and 21 percent in Accra, Ghana, for example. On average in Africa, however, the property tax represents only 0.38 percent of gross domestic product, compared to more than 2 percent in the mostly developed countries that make up the Organisation for Economic Co-operation and Development (OECD).

The book comes at a critical time for Africa. The world's fastest growing continent, Africa has added more than 500 million people since 1990, and by 2050 it will hold a quarter of the world's population. The continent is rapidly urbanizing and, together with Asia, will absorb most of the world's urban growth in the coming decades.



June 2017 / 625 pages / \$40  
ISBN: 978-1-55844-363-1  
To order, visit [www.lincolnst.edu/publications/books/property-tax-africa](http://www.lincolnst.edu/publications/books/property-tax-africa)

*Property Tax in Africa* identifies many common challenges, including poor tax collection and enforcement, weak administration, and inadequate systems for systematically assessing property values.

The book also highlights some successes in cities that have been able to bolster their property tax systems. The city of Kitwe, Zambia, undertakes supplementary valuations, which have increased the number of properties on the tax rolls and increased assessed values, leading to greater revenue. In Kampala, Uganda, officials from the national Uganda Revenue Authority and the Ministry of Finance collaborated with the local government to set up a new office for revenue collection, which more than doubled the collection of property tax in four years.

A resource for property tax scholars as well as public officials and practitioners, the book makes recommendations for improving the performance of the property tax in Africa, including the following:

- Thoroughly analyze the property tax system and decide how it relates to national economic development goals.
- Audit the legal underpinnings of the property tax and redraft laws, as needed, to lay the groundwork for more effective systems.
- In most countries, concentrate reform in the largest cities.
- Focus on collection and enforcement systems first.
- Plan gradual transitions that allow the tax administration to catch up and taxpayers to adapt to the new system.

In addition to continent-wide and regional overviews, the book includes detailed analyses of the 29 countries: Benin, Botswana, Cabo Verde, Cameroon, Central African Republic, Cote d'Ivoire, Democratic Republic of the Congo, Egypt, Equatorial Guinea, Gabon, The Gambia, Ghana, Kenya, Liberia, Madagascar, Mauritius, Morocco, Mozambique, Namibia, Niger, Rwanda, Senegal, Sierra Leone, South Africa, Sudan, Tanzania, Uganda, Zambia, and Zimbabwe. □

## ABOUT THE AUTHORS

**Riël Franzsen** occupies the South African Research Chair in Tax Policy and Governance and is also director of the African Tax Institute at the University of Pretoria, South Africa.

**Dr. William McCluskey** joined the University of Ulster in 1986. He was appointed as Professor of Property Studies at Lincoln University, Christchurch, New Zealand from 2001-2002. He is currently Extraordinary Professor at the African Tax Institute, University of Pretoria, South Africa.

## CONTENTS

### PART I

#### Current Status and Challenges

- 1 Introduction, *Riël Franzsen and William McCluskey*
- 2 Policy and Practice, *William McCluskey, Riël Franzsen, and Roy Bahl*

### PART II

#### Country Reviews

- 3 Benin, *Bernard Tayoh and William McCluskey*
- 4 Botswana, *William McCluskey, Riël Franzsen, and Mundia Kabinga*
- 5 Cabo Verde, *Riël Franzsen, William McCluskey, and Vasco Nhabinde*
- 6 Cameroon, *Bernard Tayoh Riël Franzsen, and Roy Bahl*
- 7 Central African Republic, *Bernard Tayoh and Riël Franzsen*
- 8 Côte D'ivoire, *Bernard Tayoh*
- 9 Democratic Republic of the Congo, *Jean-Jacques Nzewanga and Riël Franzsen*
- 10 Egypt, *Khaled Amin, William McCluskey, and Riël Franzsen*
- 11 Equatorial Guinea, *Bernard Tayoh and Riël Franzsen*
- 12 Gabon, *Nara Monkam*
- 13 The Gambia, *William McCluskey and Samuel Jibao*
- 14 Ghana, *Samuel Jibao*
- 15 Kenya, *William McCluskey, Riël Franzsen, and Washington Olima*
- 16 Liberia, *Riël Franzsen and Samuel Jibao*
- 17 Madagascar, *Jean-Jacques Nzewanga, Riël Franzsen, and William McCluskey*
- 18 Mauritius, *Riël Franzsen and William McCluskey*
- 19 Morocco, *Riël Franzsen and Maria Elkhdari*

20 Mozambique, *William McCluskey and Vasco Nhabinde*

21 Namibia, *Riël Franzsen and William McCluskey*

22 Niger, *Boubacar Hassane, Riël Franzsen, and William McCluskey*

23 Rwanda, *William McCluskey and Jean-Jacques Nzewanga*

24 Senegal, *Nara Monkam*

25 Sierra Leone, *Samuel Jibao*

26 South Africa, *Riël Franzsen*

27 Sudan, *Shahenaz Hassan and Riël Franzsen*

28 Tanzania, *William McCluskey and Riël Franzsen*

29 Uganda, *Riël Franzsen and William McCluskey*

30 Zambia, *Riël Franzsen, Mundia Kabinga, and Chabala Kasese*

31 Zimbabwe, *John Chakasikwa, Riël Franzsen, and William McCluskey*

### PART III

#### African Countries by Region

32 Anglophone Africa, *Riël Franzsen and William McCluskey*

33 Francophone Africa, *Riël Franzsen and William McCluskey*

34 Lusophone Africa, *William McCluskey, Riël Franzsen, and Vasco Nhabinde*

35 North and Northeast Africa, *Riël Franzsen and William McCluskey*

### PART IV

#### The Future of the Property Tax in Africa

36 Challenges, Prospects, and Recommendations, *William McCluskey, Riël Franzsen, and Roy Bahl*