



AFRICA – June 2020

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SIERRA LEONE

Mayor Aki-Sawyers trying to reform Sierra Leone’s rotten property tax system

Living in the UK, I have asked for the rate increase for our property in Freetown to be forwarded to me, so I can see what the increase is, as I have heard a lot of complaints about the impact on pensioners and the most compliant payers.

Whatever it is, I have no objection to paying, because I am used to paying property rates to live comfortably here in the UK, in a good environment and to gain access to services. To put into perspective, my annual property rate for 2020/21 is £2,347 or Le27,929,300 and I don’t live in a mansion, like some of the monstrosities you see in Freetown.

Have we considered that property rates in Freetown have not seen a proper adjustment for 24 years. During those years, when we had mayors who showed a disregard for their office and dereliction of duty to Freetonians, the same pensioners and the better off, sat back and watched our beautiful city become a shithole and byword for filth. Did they complain as loud as they are doing now? Not really. They were more inclined to push the filth in the sewers further along to the next property.

In those 24 years, if these poor pensioners were diligent, they would have put aside the savings made from not having a rate increase. Had property rates increased annually and the city’s funds not diverted into private bank accounts, the Mayor would not have been in this position, where she has to introduce the new property rates which has caused an offence to some. She has been diligent to ensure that the majority are not impacted by the proposed changes. The majority would see no increase or marginal increases.

How can anyone advocate for FCC to leave their rates at Le250,000 (\$25) per annum but expect the municipality to hire armies of street sweepers, sanitary inspectors, and metropolitan police officers. Minimum wage is Le600,000 per month per person.

International Property Tax Institute

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or any opinions expressed in the articles.

Initially, when the Bio Government came into office in April 2018, it provided Le3 billion a month to the National Cleaning exercise for the first three months.

Then the government stopped publishing the disbursements and any reasonable person must be able to see that the responsibility for funding the cleaning exercise is now being met by the municipalities. It takes money to live in a clean environment.

Asked by the media recently why she wanted to be mayor of Sierra Leone's capital, Freetown, Yvonne Aki-Sawyer answers without hesitation: "My heart was breaking at what the city was becoming." In her two years a lot has improved. Gutters have been dug in flood-prone districts. Dustbins have proliferated throughout the city. Grass is sprouting from a roundabout once strewn with litter. But there is still much to do. Electricity flickers. Taps run dry. Rubbish heaps bigger than football fields still fester.

Last year the cash-strapped city council got around 70% of its budget from foreign donors. The mayor is revamping property taxes, which she hopes will bring in five times more revenue this year. Not only does she want the rich to cough up more, she also wants payments to go directly into the bank, rather than be paid in cash. These are big reforms on a continent where property taxes bring in less than 0.4% of GDP, compared with about 2% in the rich world.

There are a lot of items on the Mayor's to do list. We want the Mayor to take action on our cemeteries. Graves are repeatedly vandalised because security in the cemeteries is non-existent. Their grounds are overgrown, but the same pensioners (and their families) would want to rest in perfect peace but building a cemetery wall costs circa Le100m.

FCC has a responsibility for municipal schools. I had the benefit of a private school education, but back in the day, Tower Hill School and Regents Square pupils used to give the private school kids, a run for their money. Would anyone send their children to these municipality schools today, out of choice.

Remember, because of the so-called Free Quality Education, the government has a prescribed formula to fund each pupil in school, which would not necessarily take into account the investments required to improve school infrastructure. Donor agencies are not prepared to fund infrastructure either. If we expect the Mayor to make improvements to education, where is the cash coming from? Money does not grow on trees.

You want her to address flood mitigation and congestion problems in the Central Business District, among other issues. Take flood mitigation. The Mayor does not control Western Rural District Council. The Chairman of the WRDC has not shown any leadership since his election. He has no incentive to do similar flood mitigation work in Bathurst, Charlotte, Leicester, and Regent.

When the rains come, it washes all the filth downstream and into the city below and FCC must do the clean-up time and again. Similarly, folks living in WRDC come into the city for work and leisure purposes, create congestion and pollute the city, and there is very little the FCC can do to make them contribute to the city.

The FCC cannot deliver the services it wants to provide by relying on donor funding and government allocation. Isn't it absurd that the IMF can provide our leaking central government with \$140m, but cannot directly allocate a proportionate share to the FCC under our mayor who has demonstrated transparency, proactivity and vision in managing the affairs of our beloved city?

If you want to find out more about the property reform and the new rates, see the FAQ available via the link below:

<https://fcc.gov.sl/property-reform-faq/>

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A mayor is reforming Sierra Leone's rotten property tax

Other African cities should follow suit

WHEN ASKED why she wanted to be mayor of Sierra Leone's capital, Freetown, Yvonne Aki-Sawyerr answers without hesitation: "My heart was breaking at what the city was becoming."

In her two years a lot has improved. Gutters have been dug in flood-prone districts. Dustbins have proliferated throughout the city. Grass is sprouting from a roundabout once strewn with litter. But there is still much to do. Electricity flickers. Taps run dry. Rubbish heaps bigger than football fields still fester.

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These are big reforms on a continent where property taxes bring in less than 0.4% of GDP, compared with about 2% in the rich world. Taxing property should reap big benefits, but it is hard to value buildings when you're not even sure if they exist.

Many African cities will triple in size by 2050. But taxmen tend to live in the past: officials in Kenya's capital, Nairobi, use a property register dating back to 1982. Freetown's register, until Ms Aki-Sawyerr came along, was a bundle of papers covered in ink scrawls. It has since been digitised with the help of the International Growth Centre and International Centre for Tax and Development (ICTD). Researchers used satellite photos to count properties and sent staff traipsing around the city with smartphones, plugging in data such as the size of the roof and whether a house was made of brick or tin. A points-based system lets them value properties consistently.

Under the old method "they were cheating us," says Victor Obofor-Smith, who owns a tin shack but has been paying the same in tax as his neighbour in a three-storey brick edifice. In Kampala, Uganda's capital, the city council is also revaluing property.

Systems can be too simple. For instance, some cities in Congo, Eritrea and Burundi tax a wooden hut at the same rate as a brick one with similar dimensions. Freetown's new system has found a "sweet spot", says the ICTD's Wilson Prichard, as it is simple to administer, efficient and fair.

Still, citizens need convincing that they should pay taxes in cities with crummy services. Counting houses is only half the battle.

House owners in Freetown now have new city council rate payment system

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Freetown City Council has announced that all house owners in the capital Freetown, will soon have their properties reassessed – though many suspect it is a re-valuation exercise that may mean some will pay more and others may pay less.

The council says it is doing this so as to streamline and modernise the house rating system, and put a new corruption free payment system in place that will require house owners to pay their council rates directly into the council's bank account, rather than go to the council office to make payment.

This is what the Mayor of Freetown – Yvonne Aki-Sawyers said in a public notice – “ Freetown City Council distribution of property rate demand notice, effective June 11th 2020” – published yesterday:

“Freetown Transformed will be a great city – and we are all looking forward to this. As Mayor I have dedicated myself and the Freetown City Council to the Transform Freetown agenda but in order for Freetown to be transformed, all Freetonians must play their parts.

“One way for Freetonians to help Transform Freetown is by paying their property rates and business licenses. Freetown City Council has completely reformed its property rates and business licences system so that it is fair for everyone.

“The new system now includes all of Freetown's 160,000 property and businesses, including dwelling houses, commercial buildings and government buildings – all properties have been geo-mapped. Using this single uniform assessment system, small and lower value buildings are assessed less while larger and more valuable buildings are fairly assessed more.

“Over the next few weeks, owners will be receiving by hand a detailed Rate Demand Notice that explains the uniform system. Payment is not to be made in cash to City Council collectors.

“Payment should only be made through the Banks noted on the Rate Demand Notice. This ensures security and transparency, and better service delivery outcomes for Freetown.

“Understanding the impact that COVID-19 has created for Freetonians, Freetown City Council empathizes with our residents, and has decided to extend the property rate payment due date to 30th September 2020 and to reduce the poundage (penalty) for late payment from 15% to 5%.

“Furthermore, if residents make full payment for their 2020 on or before 31st July 2020, they will receive a 5% credit against their 2021 property rate. For those residents who have already made an advance payment towards your 2020 property rate, you will be required to pay the difference if you underpaid, or if you overpaid, you will receive a credit against your 2021 property rate due.

“Freetown City Council will continue to work to improve the lives of Freetonians and to transform Freetown. Property rate and business licence payments will enable us to make our city clean and green, to invest in essential infrastructure like drainage and markets, to improve the conditions in our municipal schools and provide the much-needed upkeep of our cemeteries.

“We thank you for your support and ask that you continue to play your part as we transform Freetown. A help desk has been set up at Freetown City Council so that residents can ask questions and get better clarification on this new process.

It remains to be seen whether this new property revaluation and rate payment system will generate the much needed cash required by the council to help address some of the deep economic, social and environmental problems facing the city.

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And more importantly, the question is whether this new system will reduce the millions of dollars lost every year, due to high levels of corruption within the council and non-payment of household rates by home owners.

“This change in the way we pay council rate in Freetown is welcomed. If you are in the diaspora and you own a property or in charge of family property, please make sure you contact the city council for the new payment details, so you can now pay directly from abroad without sending the cash to anyone, which very often means that your council rate is not being paid to the council,” a council official told the Sierra Leone Telegraph.

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