

Government urged for political and fiscal prioritization of sanitation and waste management in Ghana

On June 11, 2020, Imani Africa and the Environmental Service Providers Association (ESPA) and IRC Ghana organized a webinar entitled “The Waste Management Conundrum in Ghana - The Case for High Level Prioritization and Tax Incentives” under the National Learning Alliance Platform (NLLAP) of the Resource Centre Network (RCN). The webinar was graced by the presence and interventions from WASH sector practitioners and partners. The webinar focused on making sanitation and hygiene political and financial priorities in the time of COVID-19.

Context, structure and objectives

The webinar was premised on the consensus principle that response plans to COVID-19 – at national, regional and global levels – must prioritize sanitation and hygiene, which form part of the frontline response given that there has been an increase in all forms of waste occasioned by COVID-19, particularly biomedical waste, as a result of the manufacturing and use of billions of PPEs, laboratory test equipment etc.

In May 2016, IMANI conducted a study on the state of biomedical waste treatment in Ghana and urged the then government not only to fast track legislation, but implementation as well. It is widely understood that municipal solid waste, if not managed correctly, can be an environmental and health hazard. However, medical waste, by its very nature poses a significantly higher risk to both the environment and especially to the community. In addition, it is estimated that 15% of waste created by health-care activities are classified as hazardous waste, which includes biomedical waste. Containment, treatment and safe disposal of waste however is an intensive undertaking, requiring the involvement of state and private sector actors. The state's response has included the establishment of the Ministry of Sanitation and Water Resources, the vision of making Accra the cleanest city in Africa and the launch of the National Sanitation Campaign on 13th November 2017 by H.E. Nana Addo Dankwa Akufo-Addo.

The webinar therefore had two specific objectives:

- The need for high level political prioritization of sanitation
- Prioritizing fiscal incentives for industry players in the sanitation and waste management value chain.

The webinar was organized in one-panel discussion where the keynote speaker, Professor Simon Mariwah, Associate Professor Director Institute for Oil and Gas Studies University of Cape Coast, presented a paper on the two specific objectives of the webinar; political and fiscal prioritization of sanitation and waste management and followed by interventions from guest speakers and participants.

COVID-19 and Sanitation Management

According to Prof. Mariwah, admittedly, the COVID-19 pandemic has contributed to the surge in solid waste generation in the country, resulting from increased use of disposable PPEs, disposable nose/face masks, tissue papers etc. Increased use of plastics from restaurants and fast food joints (take-out or take-away as we call it in Ghana) However, the capacity of waste collection companies in terms of finance, infrastructure, logistics etc remains the same, and in some instance even reduced during the pandemic. This poses serious challenges to the waste management institutions in terms of performance.

He added that with the coming of the rains, the impacts of poor waste management are likely to be more severe as run-offs will wash uncollected municipal solid wastes (sometimes mixed with faeces and

hazardous wastes) into streams and rivers, thereby contaminating them, and compromising the health of those who depend directly on surface water for household use, and posing threats to aquatic lives. “More importantly, the coming of the rains will most likely increase the rate of decomposition of uncollected solid waste in houses and on the streets, leading to pest and rodent infestations and offensive odours.”

In addition, rainy seasons tend to reduce waste collection and disposal due to reduced turnaround times of waste collection trucks, and frequent breakdown of collection trucks, as a result of poor road leading to the final disposal sites. For people without household toilets, the rainy season presents an additional challenge, especially in low-income, high-density urban areas, where the use of “flying toilets” (defecating into black polythene bags and throwing it on the streets or into gutters) is rampant, leading to increase in sanitation-related illnesses.

The need for high level political prioritization of sanitation

In light of the above, Prof. Mariwah suggested first and foremost, an urgent need for the establishment of the proposed National Sanitation Authority (NSA) to efficiently and effectively coordinate, harmonize and streamline the activities (and investments) of Ministries, Departments and Agencies (MDAs), Civil Society, NGOs and the Private Sector in the environmental sanitation sector. He alluded though there is an Inter-Ministerial Committee on Sanitation, the current poorly coordinated activities and poor financial situation in the sanitation sector reflects the inability of the Committee to effectively deal with the challenge, perhaps due to differences in the priorities of the relevant MDAs.

He again suggested the Ministry of Sanitation and Water Resources (MSWR) to invest in empirical research that will provide comprehensive data on the generation rates, compositions, storage, collection, transport, treatment and safe disposal of waste in the country. “Moreover, government should support waste management companies in the country to ensure smooth operations of timely collection and disposal of solid wastes. First, Central government, as well as the MMDAs who owe private waste management companies, should, as a matter of urgency, settle them to ensure performance at optimal level.”

“The recent closure of the three main landfill sites in Ghana is worrying in this critical time. Second, MMDAs should improve the roads leading to the final disposal sites in order to reduce the rate at which waste collection trucks break down during the rainy season. In addition, the government should scale up monitoring of the waste management companies to ensure uninterrupted collection and transportation of wastes.”

The Need for Fiscal Incentives for Waste Management Companies

Touching on the need to prioritizing fiscal incentives for industry players in the sanitation and waste management value chain, Prof. Mariwah said solid waste management in Ghana is dominated by the private sectors. Therefore, one should expect waste collection to be

priced at a market competitive tariff. However, fees for waste collection are way below market price, because by law, the price is fixed by the MMDAs since they see waste collection as a provision of public service. This situation has plunged many waste contractors into dire financial challenges. As a result, most private sector players are unable to accumulate adequate capital to re-invest into equipment replacement or into research and innovations.

According to Prof. Mariwah, sanitation service delivery requires appropriate machinery which are always imported. Currently, a compactor truck attracts an import duty of 5% on the Cost Insurance and Freight (CIF) value of compactor. It also attracts NHIL levy (2.5%), GetFund Levy (2.5%); Special Import Levy (2%), ECOWAS Levy (0.5%), Exim Levy (0.75%), Processing fee (1%) and AU Levy (0.2%), which add up to 9.45% of the CIF value. In addition, the sector also pays Import VAT of 12.5% on top of these taxes.

Currently the industry operates at a profit margin of 20% (From the existing data in the cost buildup of the various landfill sites). However, this profit margin is reduced to 7.5% since they treat 12.5% of their revenue as output tax. In addition to that, the sector also absorbs the non-deductible combined 5% import NHIL/GetFund levies which further reduces their profit margin to 2.5%. "How do such companies accumulate enough capital to reinvest in waste collection trucks and other machinery as well as invest in Research and Development (R&D) to improve waste management in the country?" a worried Prof. Mariwah asked

Industry players weigh in

Supporting the statements on political and fiscal prioritization of sanitation and waste management in Ghana, Yaw Attah Arhin, Vice Chair, the Coalition of NGOs in Water and Sanitation (CONIWAS) said the establishment of the NSA will effectively and efficiently deal with the issues of sanitation in Ghana. He added that because of the complexities in the sector, sanitation is always left behind compounding the already dire situation in sanitation and waste management. "if you go to the health sector you will realize parallel institutions have been created and it seem things are effectively managed there" Mr Arhin also wants government to increase finance for environmental sanitation, and also provide adequate infrastructure and support for waste treatment and recycling.

Similarly, Ama Ofori-Antwi, Executive Secretary of ESPA said it is high time government provides fiscal incentives to enable waste management companies perform better and rid the country of filth in order to improve health and wellbeing of the people. She lamented that because of the lack of support a lot of private waste companies are folding up.

"Upon taking up this role as Executive secretary with ESPA, I can say confidently 22 companies have collapsed since 2014 to date; we are providing essential service in this country meanwhile we are not getting any support whatsoever; if government is indeed serious about the private sector been the engine of growth, then government needs to look at us."

Meanwhile, Ing. Kwabena Agyapong, Executive Director, Ghana Institutions of Engineers said the establishment of the NSA will be a duplication since there already exists structures at the national, regional and district levels to deal with the issues of sanitation. For him, technology has been rapidly rising throughout the recent years

however, for the waste management sector there has been a slow uptake on technology and its potential uses within waste management and that government must recognize the issue of sanitation as public health burden and therefore invest in it.

Recommendation going forward

MMDAs should invest in environmental sanitation through:

1. Capacity building for staff, especially EHOs
2. Partnership with private sector to turn waste into resources
3. At least, each region should have a solid waste treatment plant
4. Partnership with neighbouring MMDAs to build waste treatment, and recycling plants.
5. This requires huge investments beyond the capacity of most individual MMDAs.
6. So two or three neighbouring MMDAs and the private sector could come together to invest in such initiatives.
7. Also, it is necessary for sanitation by-laws of MMDAs to be strictly enforced.
8. The first step is to review and gazette all by-laws of MMDAs to make them relevant to the current needs in the sector.
9. The MSWR should facilitate and provide all MMDAs with technical support in drafting, reviewing and gazetting their by-laws.
 - a. Local Governance Act 936 has simplified the process
10. MMDAs to budget for enforcement activities and support capacity building of EHOs to effectively enforce the by-laws.
11. Enforcement should be devoid of political and other interferences, so that sanitation offenders are taken through due processes of the law to serve as deterrent to others, and to instill confidence in the EHOs to deliver.
12. A temporary tax waiver (Import duty, VAT, NHIL & GETFUND Levies and other taxes and levies) on all its imports on waste management trucks and other machines used for collecting waste;

The following fiscal measures were also suggested:

13. Include the supply of machinery and parts of machinery specifically designed for the collection of waste as part of exempt supplies in the first schedule of the VAT Act (870); and
14. A tax waiver on payment of corporate income taxes on profits ploughed back into investment into plants and machinery for waste management.
15. The setting of tariffs to be paid by clients of waste collection services should be done in consultation with the service providers, in order to come out with a competitive price for effective waste management services
16. It is about time consumers of waste management services paid economic prices
17. The setting of the tariff should also take into consideration the cost incurred by the service providers in collecting fees from their clients. (This is one major challenge for the service providers, since they must hire personnel to perform this important function.)

NLLAP is a WASH sector multi stakeholder platform with the overall goal of improving sector learning and dialogue. It is hosted by the Ghana WASH Resource Centre Network (RCN). The platform offers learning and sharing opportunity for sector players as one of the practical approaches to improving sector engagements/sharing with the long term aim of achieving a knowledge driven WASH sector that delivers quality and sustainable services in Ghana. NLLAP meetings take place on the last Thursday of every month (with modifications when necessary) and are open to all interested parties. The discussions of each NLLAP meetings can be found on the RCN website www.washghana.net.

If you are interested to propose a topic for a meeting please contact us on,
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