

## Plastic waste management success contingent on meeting governance commitments



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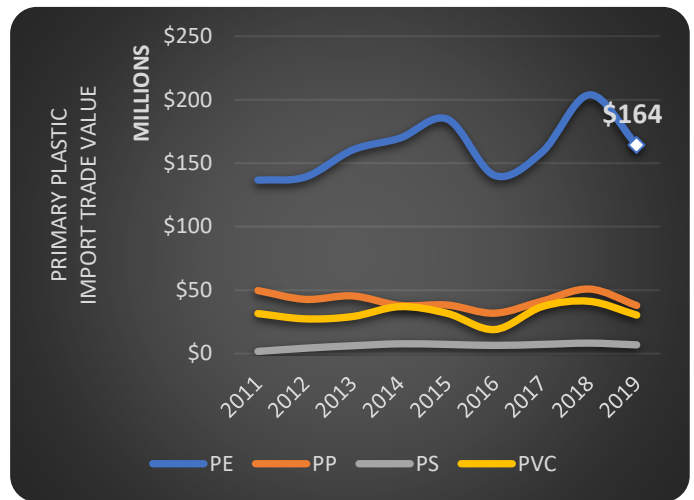
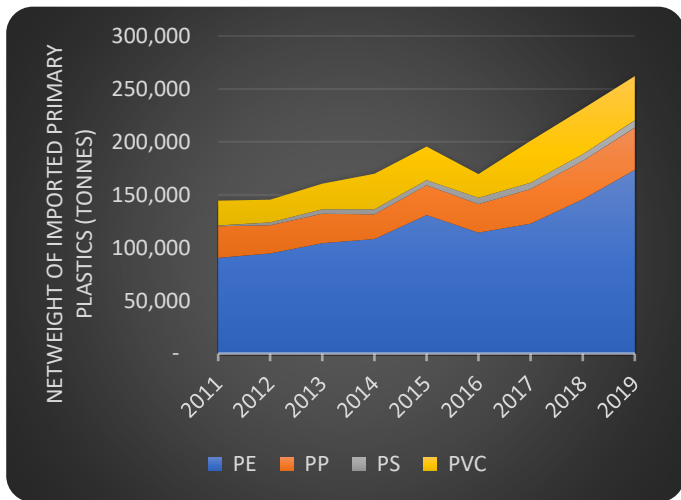
“We are pleased to partner with the Global Plastic Action Partnership to bring together existing efforts, scale up these highly successful initiatives, and fast-track our progress towards a collective goal – to achieve zero leakage of plastic waste into our oceans and waterways”. These [remarks](#) were made by President Nana Akufo-Addo in 2019 when ushering in Ghana’s formal entry into the Global Plastic Action Plan (GPAP), an international public-private initiative championed by the World Economic Forum to eradicate plastic waste. As the first African country to sign up to the initiative, Ghana aims to promote the incorporation of reuse and recycling practices within its plastic value chain and is currently developing a National Plastic Management Policy to facilitate this objective.

Ghana’s ability to fully benefit from this and other laudable efforts to promote better plastic management is contingent not only on the appropriateness of plastic policies but also on the quality of governance and enforcement structures. To an astute observer, the plastic and broader waste management challenge in Ghana is as much an institutional problem as it is an environmental one. Though consumer behaviour cannot be overlooked, the indiscriminate disposal of plastic products in our environment can likely be traced back to a prevailing governance landscape of weak or non-existent incentives for plastic waste management operators, inefficient enforcement mechanisms, and insufficient public engagement.

Arguably, the “*incentive question*” sits at the heart of Ghana’s plastic waste challenge; if not effectively addressed, we could potentially continue to grapple with the burden of our plastic albatross in the long term. The inefficiencies of public financing of plastic waste management in Ghana provides a glimpse into the governance landscape that impedes progress – a great example of this can be witnessed in the Environmental Excise Tax.

### **An ingenious policy**

In Africa, Ghana has proven to be an innovator in the introduction of fiscal policies as a tool for promoting sustainable management of plastics. As early as 1996, the government had instituted an Environmental Excise Tax on plastics. Initially a 20% *ad valorem* tax on plastics, the tax was subsequently changed in 2013 to a 10% levy on imports of raw and semi-finished plastics, as well as some finished plastic products. Most importantly, the [2013 amendment to the Customs and Excise Act \(Act 863\)](#), made provision for the allocation of at least half of the revenues accrued from the tax to a *Plastic Waste Recycling Fund* which would finance local plastic recycling initiatives and the production of plastic waste bins and bags, and biodegradable plastics.



Source: [UN Comtrade Database, 2021](#)

Ghana’s Environmental Excise Tax is a smart policy because it links plastic consumption directly to the financing of plastic waste management in an economy with an ever-increasing appetite for plastics from its local industry. Since the 1990s, the country has witnessed an increase in the demand for, and use of, plastics. To meet part of this demand, local plastic manufacturers – numbering at least 120 in a recent [count](#) – have increased their importation of primary plastic pellets for the production of plastic packaging, buckets, chairs, and other plastic consumer goods. According to the UN Comtrade Database, Ghana in 2019 imported over 262,000 tonnes of the four main primary plastic pellets – polyethylene (PE), Polyvinyl chloride (PVC), Polypropylene (PP), and Polystyrene (PS). PE pellets have consistently accounted for between 60-70% of these imports in the last decade; \$164 million of PE pellets were imported into Ghana in 2019. They are mainly used for manufacturing single-use bottles, carrier bags, and the plastic film used for water sachets.

Through the tax, the continued growth of the plastic manufacturing sector can provide a steady source of funding for plastic waste management in Ghana. This is particularly important as the driving factors responsible for the growth of plastic consumption – increasing population and income – also inadvertently heighten the likelihood of negative environmental and human wellbeing risks associated with poor plastic waste management. The flooding disaster of June 3<sup>rd</sup>, 2015 is an unfortunate reminder that the negative effects of poor plastic waste management can be sudden and immensely devastating. The clogging of the drainage network in the [Asylum Down area of Accra](#) by plastic items significantly contributed to a disaster that claimed [150 lives](#), affected a further 53,000 people, and left behind [\\$100 million worth of damages](#). Hence, it is difficult to understate the importance of fiscal policies such as the Environmental Excise Tax to Ghana’s waste management regime.



## **The elusive GHS 912 million or the high cost of weak governance**

At a press conference organised by the Ghana Plastic Manufacturers Association (GPMA) in May 2019, Mr Ebbo Botwe, the president of GPMA, revealed that the Environmental Excise Tax had accrued [GHS911.6 million](#) (about \$177 million) since 2011. However, none of these funds had been released to local stakeholders involved in plastic waste recovery and recycling. The reason for this was the absence of the required fund secretariat for the aforementioned *Plastic Waste Recycling Fund*. Due to the government's inability to set up a fund secretariat, the revenue generated from the Environmental Excise Tax were paid into the Consolidated Account of the government. Though clouded in uncertainty, it is likely that these funds, originally meant for plastic waste management, have been directed towards other purposes.

The unfortunate turn of events with regard to the funds accrued from the Environmental Excise Tax highlights the high cost of inefficient governance within the waste management sector in Ghana. It disincentivises investments in the plastic recovery and recycling sector to expand capacity, particularly amongst informal operators. Additionally, it reduces trust of the stakeholders involved in plastic waste management in the commitment of government actors to create a conducive environment for waste sector operators. Furthermore, local plastic manufacturers are less likely to engage with the government on future programs that may require further financial contributions, such as extended producer responsibility initiatives.

## **Partnering with civil society**

Overcoming the governance challenge impeding Ghana's progress towards a more sustainable management of plastics will require striking at the heart of the prevailing governance culture, an admittedly complex endeavour. Waste sector stakeholders, particularly informal operators who are the primary force behind Ghana's plastic recovery efforts, are ill-equipped to wrestle with this challenge on their own. Hence, it is essential for waste sector stakeholders to leverage their access to the public square in ways that compel state actors to follow through on policy commitments.

This can be achieved through greater levels of engagement with governance-focused civil society organisations in the country. For example, building deep relationships with the [Ghana Center for Democratic Development](#) could aid in the development of productive strategies for influencing both government policy formulation and enforcement mechanisms. Also, due to the position such organisations have in shaping public discourse, they provide a reliable avenue for engaging directly with the Ghanaian electorate on the socio-economic implications of weak governance structures in plastic waste management. Such a move would enable waste sector stakeholders to harness the power of an enlightened citizenry to demand greater action from state actors.