

Increasing municipal finance for sanitation: support for property tax collection in Ga West

This Practice Note is one of a three-part series reporting the findings of recent action research to encourage greater municipal investment in sanitation in three African cities. The advocacy process in Ga West Municipality (Greater Accra, Ghana) focused on supporting the municipality to improve property tax collection, in return for a commitment to allocate a proportion of the extra revenues to pro-poor sanitation.



World Toilet Day 2015, Ghana: School children march to demand better sanitation for their city

What is the level of sanitation coverage in Ghana?

In 2008, the UN/WHO Joint Monitoring Programme estimated that Ghana's urban sanitation coverage stood at 18%, an increase of only 7% since 1990. Almost 75% of the urban population use shared or public facilities. No disaggregated data for Ga West is available, but information from interviews with municipal officials suggests the city's coverage is close to the national average. There is no sewerage in the area governed by Ga West Municipal Assembly (GWMA), and GWMA has no transfer stations, waste treatment facilities or disposal facilities.

Who are the key players in the sector?

Responsibility for sanitation in Ga West lies with the Environmental Health and Sanitation Directorate and GWMA. The faecal waste management chain is managed by private contractors or franchisees, with GWMA directly delivering hygiene education and outreach programmes. Households are responsible for toilet construction and on-site pit or septic tank management: pit and septic tank emptying is largely unregulated. Waste is commonly dumped untreated into water sources and open country, and to sites such as 'Lavender Hill', a beach disposal site managed by the Accra Metropolitan Assembly.

How much does municipal government spend on sanitation in Ga West?

GWMA co-finances the construction of some public toilets with donor support, the majority of which are managed through zonal councils. In a few cases the toilets are operated under a Build, Own, Operate, Transfer (BOOT) model: a private operator runs the toilets for a designated concession period, after which the assets are transferred back to GWMA. There is no specific municipal own-revenue generation for sanitation, with allocations relying on central government transfers and donor support. Budget information is available, although difficult to break down into clear sector spending. In 2014, \$50,000 was allocated to sanitation capital investments: around 5% of the municipality's total budget.

This work was part of a two-year action research project looking at how to influence municipal finance allocations for sanitation in Ga West, Maputo (Mozambique) and Nakuru (Kenya). Researchers from the Urban Institute and Johns Hopkins University SAIS worked with WSUP country teams to develop and roll out an advocacy strategy from 2013 to the end of 2015. On the next page, we summarise the process and results of designing this advocacy strategy for increasing pro-poor municipal finance for sanitation in Ga West.

Designing and implementing the advocacy strategy

Identifying key barriers: information gaps, weak political will

The development of the advocacy strategy began with semi-structured interviews – conducted by Urban Institute researchers with key actors in Ga West – to understand the financial and political landscape of the city's sanitation sector. Existing approaches used by Ga West WASH stakeholders to advocate for increased spending on pro-poor sanitation were assessed, alongside budget analysis of any available information on municipal spending on sanitation and any related revenue. The interviews revealed the clearest barriers to implementing increased municipal spending for pro-poor sanitation to be lack of information and knowledge transfer and weak political will. WSUP's Accra team worked with researchers to design and implement an advocacy action plan that responded to these barriers, supported by sample work plans for a one-year advocacy campaign and an implementation toolkit.

Solution: boosting property tax revenue collection to generate funds for pro-poor sanitation

The advocacy strategy in Ga West aimed to **i)** stimulate political support and **ii)** incentivise increased sanitation spending. This was to be achieved by promoting the benefits of broader municipal revenue collection among community leaders and local government. WSUP had previously identified the potential of the property tax as a revenue-raising tool: property tax performance of the municipality was historically poor, with only 27% of potential revenues collected in 2013 (109,000 GHC collected of 403,000 budgeted). Recognising the potential for improvement, the WSUP team proposed targeted technical assistance to boost the municipality's tax collection capacity – for example, updating the software used by the municipality to track payments – on the condition that a proportion of any extra revenue raised would be dedicated to improving pro-poor sanitation. Communication materials were developed in parallel to promote community engagement in two neighbourhoods, aimed at improving relationships between community leaders and local government authorities, thereby aiding increased property tax collection.

Results

While roll-out of the strategy faced significant challenges – often reflecting fundamental challenges inherent to the political economy of urban sanitation provision – the work benefitted from the clarity of objectives of the Accra team and from the alignment of these objectives with ongoing discussions with local authorities. WSUP obtained funding to develop the municipality's revenue collection capacity, and the local authorities have subsequently agreed to allocate 40% of additional revenues to pro-poor sanitation investment. Short, medium and long-term goals were clearly identified and it is expected that relationships between local government and community leaders will continue to be strengthened, with the underlying assumption being that effective property tax collection requires a degree of trust between citizens and local governments.

Conclusion

Local government may often be unwilling to extend sanitation provision to low-income communities on the basis of cost: it is often assumed that improving sanitation services for the poor will not be affordable or that “donors will deal with it”. The case of Ga West indicates that supporting local authorities to broaden their revenue base in general can pay dividends for sustainable sanitation investment in the longer term. There are certainly challenges: to date, GWMA has committed only to *allocation* of a proportion of additional property tax revenues to sanitation, and there is no clear ring-fencing of a proportion of the total. Furthermore, increasing the effectiveness of property tax collection is complex in itself. Nonetheless, this is a promising first step and the progressive agenda adopted by GWMA presents a model for other Ghanaian municipalities.

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