

# ANALYSIS OF WASH COMPONENT OF 2023 NATIONAL BUDGET

## 1.0 Introduction

The centrality of Water, Sanitation and Hygiene (WASH) in human development cannot be overemphasized (WaterAid,2022). Availability of safe WASH promotes health of people and enhances economic development. This explains why Government of Ghana launched “Water for All’ agenda since 2019 and consistently expressed the policy importance of WASH in national budgets in 2019, 2020, 2021 and 2022. Despite the challenge of low budget releases to adequately meet the policy objectives of Government ‘Water for All’ agenda, WASH remains a central issue for many Ghanaians, especially people in remotest and deprived communities in many parts of Ghana.

The 2023 budget comes with the expectation enhanced revenue measures and expenditure rationalization to put a hold on spiralling inflation, manage fiscal deficit and propel economic growth in the short to medium term. However, the provision of social services such as WASH remain a critical poverty reduction expenditure which should be prioritized at all cost.

## 2.0 Background and Context

The Sustainable Development Goal (SDG) six is an ambitious desire to “ensure availability and sustainable management of Water and Sanitation for All” by 2030. Implied in this goal is drinking water (SDG 6.1), safely managed sanitation and elimination of open defecation (SDG 6.2), water resources management (SDG 6.4). Adequate functional school WASH and WASH in healthcare facilities are all emphasized. The Government of Ghana (GoG) signed onto the SDGs and is therefore expected to provide the necessary financial, human, material and technical resources as well as implement the right policies to realize this ambitious target by 2030.

Unlike the Millenium Development Goal (MDG) for water and sanitation, the SDG 6 target universal access, with safely managed water and sanitation services the highest ‘bar’ to achieve. Historically, the WASH budget allocation is derived from aspirations from specific policy intents and strategic government priorities such as the National Water Policy (2007), National Sanitation Policy (2010) and the Water Sector Strategic Development Plan (WSSDP,2012-2025), the National Environmental Sanitation Strategic Plan (NESSAP), and the National Environmental Sanitation Investment Plan (SESIP). The SESIP was prepared in 2011 to operationalize the NESSAP and to indicate the projected costs of interventions for meeting defined policy measures up to 2015. Additionally, Government international commitments such as the 2008 eThekwini commitment of 5% of GDP allocated to enabling elements for sanitation, 2010 Sanitation and Water for All (SWA) commitment of US\$200 million per annum (with additional US\$150 million) for sanitation and hygiene) have all at one time or the other guided Government allocation to make WASH for all a reality. Importantly, some sector policies are yet to be reviewed to align with the SDG aspirations and the Africa agenda 2063.

## 3.0 The State of WASH Sector and Policy Priorities

3.1. The National Water Policy (2007) is under review for two years now and the draft policy is yet to be validated and approved for implementation. The intent of the new policy is the SDG 6 aspiration of universal access to Water and Sanitation for all people in Ghana by 2030.

3.2 The WSSDP<sup>1</sup>(2012-2025) had a total cost of GHS978.06 million for the period 2012-2025 for both new WASH facilities and capital maintenance of existing infrastructure.

3.3 Water Quality monitoring assessment programme would be implemented to assess the turbidity levels of water bodies. **In the view of CONIWAS, this is very crucial to stem the**

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<sup>1</sup> Water and Sanitation Sector Development Plan: Government of Ghana (March 20214)

**tide of illegal mining on water bodies.** Also, awareness campaigns and remedial actions would be implemented to ensure sustainable management of ground water resources.

**3.4** The “Water for All Agenda” will prioritize the Yendi, Damongo, Keta, Sunyani, Tamale, Wenchi, Tarkwa, Atebubu urban water supply projects in 2023.

**3.5.** Under rural and small-town water supply: Ejura, Wulensi and Goaso Water Supply systems, as well as Bole, Sewfi-Wiaso, Tumu and other areas would be pursued when funding is secured for these projects. The 95% completed 5 Districts Strasbag Water Supply project in Volta Region would be completed to serve 234,000 people.

**3.6** Aqua Africa Water Project involving 150 Nano filtration plants and 12 small towns water systems would be implemented.

**3.7.** Under the World Bank GAMA Project: 30,000 household toilets construction in Greater Kumasi is progressing with 35,000 toilets done so far from 2021-2022.; 120 disability friendly, gender-sensitive institutional sanitation facilities for schools would be constructed as well as rehabilitate the Asafo Sewerage system in Kumasi.

**3.8** Under the GASLIP, the MSWR will upscale Community-led Total Sanitation (CLTS) implementation and continue with the construction of 5,000 household toilets in Greater Accra.

**3.9** GARID project continue the construction of an engineered Landfill sanitary landfill and a materials recovery facility in Ga West Municipality.

**3.10** The Ministry of Sanitation and Water Resources (MSWR) will continue with decommissioning and re-engineering of the Kpone (Tema) and Oti (Kumasi) landfill sites in 2023.

3.11. Under the World Bank funded GAMA Project, two simplified sewerage systems (Septage and sewer lines) in Ashaiman will continue in 2023.

#### **4.0 WASH Budgetary Allocations, Releases and Expenditure Pattern**

Analysis of Government WASH budgetary allocations and actual execution/releases over the years reveals a decreasing trend relative to Gross Domestic Product in the past few years. CONIWAS has observed a common theme of poor budget releases. The 2019 and 2020 performance reports of the MSWR showed only 6.32% and 18.9% of the approved budget were respectively released. This implied goods and services, and Capital Expenditure (**Capex**) suffered the most, and delivery of WASH services to citizens was severely constrained. It is refreshing to note however that that 2021 witnessed an execution rate of 86%. Although the 2021 execution rate relative to the previous years’ is commendable, the general trend in poor budget execution raises serious concern about Government commitment to addressing the funding challenges facing the WASH sector.

The Water Sector Strategic Development Plan<sup>2</sup> (WSSDP,2012-2025). The WSSDP establishes that capital costs to implement the plan will average **344.49 USD million** per year. It also establishes that development partners will finance the plan with an average amount of 189.50 USD million per year. The Trackfin report (2022) results show that capital expenditures ranged from **130 USD million to 211 USD million** per year **representing respectively only 38% to 61% of estimated capital costs. On average, capital expenditures need to increase 2.25 times to reach the annual capital costs budgeted in the WSSPD.**

Interestingly, the Track Fin 2022 report by the MSWR revealed that 69% of total WASH expenditure between 2013-2019 went to water supply, with 29% to sanitation, 1% to hygiene and 1% to support services. It is therefore not surprising Ghana continue to record poor improved household toilets and unimpressive hygiene performance.

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<sup>2</sup> Government of Ghana WSSDP,2012-2025. By Ministry of Water Resources, Works, and Housing, launched 2012.

## 4.1 Budgetary Allocations for 2023

From the 2023 Budgetary Statement and Economic Policy, the total allocation to the MSWR is **GHS 822,007,000**. Contributions to this fund come from the government (GoG), internally generated fund (IGF) and development partners (DP). GoG's contribution to the total envelope to the Ministry's budget is **GHS100,222,308**. Whilst IGF contribution **GHS 43,992,241** DPs contribution is **GH 1,847,454,548** representing about **86.0%** of the budget.

### 2023 Budgetary Allocations

	GoG	IGF	D. Partners	Total
Budgetary Contribution	100,222,308	43,992,241	1,703,240,000	1,847,454,548

**GoG Total = 144,214,549 (4%)**

**DPs Total= 1,703,240,000. (96%)**

### Expenditure Categories for 2023 Budget

Sources of Funds	Wages and Salaries	Goods and Services	Capital Exp.	
GoG	24,241,794	6,042,082	2,953,632	
IGF		26,695,514	17,296,727	
DP		31,600,000	1,671,240,000	
<b>Total</b>	<b>24,241,794</b>	<b>64,337,596</b>	<b>1,691,490,359</b>	<b>1,780,069,749</b>

## 5.0 Key Observations and CONIWAS advocacy agenda

This Section provides information on observations made during the analysis and issues identified as agenda for advocacy.

The following observations were made from the outcome of the Analysis:

- a. There is high dependency on DPs for financing CAPEX and Goods and Services. This occurred consistently for the three years (2021,2022 and 2023). In 2023, donor funding is 94% of total WASH budget, up from 73% in 2022. There implication is that should DPs reduce their support to the Sector, GWCL would be unduly affected.
- b. The Coastal Development Authority(CoDA) facilitated the completion of 27 out of 229 water systems in 2022. Eight (8) out of Seventy(72) toilet facilities are also still outstanding from 2022. Similarly, 104 boreholes and 66 institutional toilets were completed in Middle Belt Development Authority while Northern Development Authority managed to complete 30 boreholes in 2022 with many others outstanding.
- c. In connection with the point "b" above, there will be a challenge coordinating the implementation of the activities under the development zones by the MSWR. It is also not clear the mechanisms for delivering the services. The role of sector agencies like CWSA in the delivery of the services committed by the development zones is not clear. under the development zones is not clear. In addition, mechanisms for ensuring sustainability of services to be established in the communities.
- d. We can't question how Government go about implementing it's project. However, there is a risk when this type of implementation sidelines the responsible state agency like the CWSA which is responsible for this. Some of the WASH infrastructure

projects initiated under the IPEP since 2021 under the Ministry of Special Development Initiative (MSDI) are still not completed. Those that were completed did not have Water and Sanitation Management Team (WSMT) training undertaken with serious consequences for operation and maintenance and sustainability. For example, 1000 mechanized water systems were earmarked in 2018. 730 were completed by 2020. 80 were completed in 2021. The remaining 190 earmarked for 2022 have not been completed. 767 toilets were promised under the Toilet for All programme, but only 10 were done by 2020. 167 were completed in 2021 and rest earmarked for 2022 were not completed.

- e. Based on the current funding regime and the fact that the SDG 6 Targets and Indicators have resulted in increase in number of unserved and under-served, it is hardly that the country can achieve the SDG Targets for WASH by 2030.
- f. Releases of funds for implementation of WASH programmes has been very poor from 2017 to 2022, especially from GoG, apart from compensation (100%), goods and services (85%). DPs performed well in respect of releases to support CAPEX and Goods and Services
- g. A number of the projects listed for 2023 are expected to be implemented through the Development Zones and the Zongo Development Fund (ZoDF). This include remaining of the 2018 1,000 boreholes (500) and 1000 household latrines(460). However, there is not much information as to the spread of this expenditures and how the allocations from fund will be done. The ZoDA is expected to construct 38 mechanized Community Water System and **7No 10 unit** Institutional toilets.
- h. MDAs face predictability challenge since they are not sure when and how much of GoG's releases they are likely to receive. This would definitely affect their ability to effectively plan and execute these plans.

## 6.0 Key Calls /Key Messages by CONIWAS

- The 2023 budget allocation to WASH under the MSWR is inadequate relative to Ghana's WASH policy aspirations, targets and SDG6 target. More Government funding of WASH is urgently needed to augment dwindling donor funding.
- Financial releases to the MSWR for the 2022 budgetary allocations was around 50% for capital expenditure, 85% for goods and services and almost 98% for compensation (wages and salaries). The releases for capital expenditure are small relative to the challenges of access rate to get universal coverage by 2030, as well as the need for more funding to take care of operation and maintenance cost to boost sustainability of infrastructure. The Sanitation and Pollution Levy (SPL) proceeds should be directed to capex with a clear disbursement formula each year.
- The Government "anti-galamsay fight" is commendable so far. Moving forward, more targeted stakeholders should be involved, and traditional/religious leaders should be effectively mobilized for proactive action against mining in river/water bodies.
- There is the need to develop a framework for managing the Sanitation and Pollution Levy (SPL). Measures should be taken for the Ministry of Finance to render account of inflows and disbursements made on the SPL. Parliament should propose a disbursement formula for the accrued monies on the SPL in 2023.
- Sector Reforms: There is the need to accelerate the pace of ongoing WASH sector reforms including the CWSA reforms as well as the National Sanitation Authority and its accompanying sanitation fund. Despite a clause in the budget of a possible 'slow down' on the establishment of new institutions, the ongoing reforms with CWSA can be given a special dispensation.

- Water Resources Management need special attention. Fresh water bodies and rivers should be protected from pollution of all forms to ensure less spending on treatment of raw water by GWCL and CWSA. The challenges of Water Resource Management have been inadequate funding and governance. Some suggestions include to increased budget allocation, upward adjustment for fees and charges for water resource management, parliament to allocate a portion of the 2% on the rural water subsidy that is paid by urban water consumers. Parliament should support a local decentralized water shed protection fund which multi-stakeholder owned and managed at the Metropolitan, Municipal and District (MMDA) levels. A budget line for water resource protection is important area to look at. Among other efforts CONIWAS is also exploring tools to enhance water resources management, which includes the Water Fund. This is being piloted in Tamale and could be replicated in other parts of Ghana.