

Disbursement of WASH budget: Agencies do not lack absorptive capacity

There is evidence that the ministries in the WASH sector still play second fiddle to other ministries such as Health and Education regarding budgetary allocations. That is, the government of Ghana puts more money in the Ministries of Health and Education than the Ministries of Local Government and Rural Development and Water Resources, Works and Housing. This has led to concerns that perhaps the WASH sector is not a priority for the Government. Given the important nature of the WASH sector as the pivot around which all other sectors revolve, it will be appropriate to adequately resource the sector to carry out its mandate of providing safe water and adequate sanitation to the citizens of the country since their health basically depends on safe water and adequate sanitation. This was a major recommendation arising from the Sixteenth National Level Learning Alliance Platform (NLLAP).

The sixteenth NLLAP took place on Thursday 26th May, 2011 on the theme, "WASH sector financing in Ghana". As usual, there were two presentations; the first was made by Rudolf Amenga-Etego while the second was by Hawa Nibi Amenga-Etego, both of GrassRootsAfrica, a member of the Coalition of NGOs in Water and Sanitation (CONIWAS). This communiqué is intended to share with the wider WASH community the salient issues brought up during the meeting.

Essentially, the event focused on discussing the outcome of a budget tracking exercise carried out by GrassRootsAfrica in 2010. In the first presentation, Rudolf Amenga-Etego reminded participants that in 2008 when GrassRootsAfrica and WaterAid Ghana started discussions on the need to develop capacity and initiate collaboration for an annual budget and public expenditure tracking of the WASH sector, "we were aiming to help address critical financing barriers militating against universal access to sustainable basic sanitation, hygiene and safe drinking in Ghana."

He recalled that a pre-project random sampling of opinions among WASH sector practitioners in Ghana identified many challenges to the optimal delivery of WASH services in Ghana including bureaucracy, cumbersome and time consuming procurement processes, frequent travelling/absence of signatories to public accounts, late release of funds, etc.

Making a presenting on the topic, *Water and Sanitation 2010 Budget Tracking Report of Finding*, Hawa Nibi Amenga-Etego recounted key outcomes of the first Budget Tracking and Advocacy project undertaken in 2009 by GrassRootsAfrica in partnership with Water Aid In Ghana. She stated that the exercise at the time established that there was a huge funding gap in the sector; the sector was the least tracked because advocacy by civil society was limited to policy and management options; and that there was little about investments and the accountability of public officials and key stakeholders in respect of disbursements and the appropriateness of technologies and projects.

The 2009 exercise looked at GoG allocation for investment and services to the Ministry of Water Resources, Works and Housing (MWRWH); Ministry of Local Government and Rural Development (MLGRD); Ghana Water Company Limited (GWCL); and Community Water and Sanitation Agency (CWSA). However, participants at a validation workshop in February 2010 proposed that the exercise should subsequently be widened and deepened to determine not only the actual investments in the WASH sector but also the absorptive capacity of the WASH services delivery agencies. In pursuance of the above mandate, GrassRootsAfrica proposed the

tracking of the 2010 budget to establish the overall budget allocation to the WASH sector; comparison of the WASH sector allocation as against that of the Ministry of Education (MoE) and Ministry of Health (MoH); and the percent thereof of the approved national budget.

Highlights of 2010 WASH Budget Tracking

According to Ms Amenga-Etego, the 2010 WASH Budget Tracking was targeted at establishing the specific allocations to the GWCL, CWSA, Water Resources Commission (WRC), Environmental Health and Sanitation Directorate (EHSD), School Health Education Programme (SHEP), MLGRD and MWRWH; actual receipts as against budgetary allocations; problems associated with contracting and procurement procedures; and the absorptive capacity of implementing agencies in relation to services including procurement and investments.

Key activities undertaken during the tracking included, data collection, collation and analysis of information on approved sector allocation on water and sanitation for the year 2010; tracking of budget disbursements at the ministerial level to implementing agencies; find out actual received by implementing agencies; verification and discussion of problems associated with disbursement process, absorptive problems associated with implementation; peer consultation on findings; confirmation with target agencies; workshop of stakeholders to discuss and validate findings and Press briefing.

The key findings were that, compared to 2009, allocations to the MWRWH in 2010 were lower, dropping by GH¢43,798,410 (0.68% of the total national budget) from GH¢57,477,217 (0.88% of the total national budget) to GH¢13,336,000 (0.20% of the total national budget); allocations for the MLGRD followed the same trend as the allocation for investment for 2010 was GH¢2,389,040 as against GH¢35,000,000 for 2009. However, the GWCL had an increase of GH¢699,935 in the GOG allocation for investment and services representing 0.01% of the total national budget; and the 2010 budget also saw a reduction in GOG allocation for investment and services to CWSA from GH¢30,261,667 (0.46% of the total

national budget) in 2009 to GH¢3,837,920 (0.05%) in 2010 showing a significant decrease of GH¢26,423,747 (or 0.41%). "It is worth noting that the allocation to the MWRWH and the MLGRD includes other allocations beyond WASH. The limitation of the 2009 budget tracking was that it only looked at the allocation to CWSA and GWCL which were the only two agencies on the water supply side within the MWRWH," Mrs Amenga-Etego clarified.

A more detailed view at the results of the tracking indicates that the Ministry of Education (MOE) and the Ministry of Health (MOH) are among the sectors that take the largest portion of the total national budget (i.e. GoG+IGF+FUNDS/OTHERS+DONOR); the MOE's allocation is the largest, constituting 26.26% of the total national budget; and MOH has the second largest allocation, constituting 11.03% of the total national budget. The MWRWH and the MLGRD are among the sectors with the lowest allocation of 2.70% and 3.55% of the total national budget respectively.

The government of Ghana component in the budgetary allocations is higher for MOE and MOH than the MWRWH and MLGRD. This is evidenced by the fact that out of a total allocation of GH¢178,008,902 to the MWRWH, GoG component was only GH¢23, 141,670 representing 13%. Also, the GoG component for the MLGRD is GH¢71,360,018 representing 32.65% of the total of GH¢233,811,799. On the other hand, the GoG component for MOE and MOH represents 73% and 55% respectively.

In contrast, 78% of the MWRWH's 2010 allocations was donor funded to the tune of GH¢138,857,802. Similarly, the MLGRD's allocation had 37.83% donor component amounting to GH¢88, 451,781. These figures are far higher than donor funding to MOE (5.15% of allocations) and 15.16% for MOH. The total allocation to GWCL was GH¢71, 395,041; CWSA was GH¢49, 231,435 and WRC was GH¢13, 240 giving a total of GH¢121, 039,716 out of a Grand Total of GH¢178, 008,902 to the MWRWH. Here again, it is worth noting that the large chunk of the funds is from donors. Also the total allocation to the EHSD was GH¢1, 565,259 out of a Grand Total of GH¢233, 811,799 to the MLGRD. There are however components of funding for sanitation within the MLGRD budget and under the District Assembly Common Fund (DA CF) that was not tracked. This therefore does not give a complete picture of exactly how much is allocated for sanitation within the Local Government Ministry. The only allocation to SHEP in 2010 came from UNICEF amounting to GH30, 108.60 and was towards the development of a Strategic Framework.

In terms of disbursements, the tracking exercise established that, as at December 2010, the MWRWH received over 100% (155%) of the GOG allocation for Personnel Emoluments, over 100% (actually 108%) for administration, 48% for service and more than double the allocation for investment (207%); CWSA received just 33.9% of the GOG allocation; WRC received more than 100% for P.E, 90% for Admin, 24.9% for service and 21% for investment; EHSD had received 45.6% for P.E, 97.3% for Admin, 100% for service and 100% for investment; but the team could not get the disbursement data. The exercise also revealed that the major problem with the disbursement process is delay in releasing funds, particularly the GOG component. "The delay in disbursement of funds from GoG makes it difficult for the sector agencies to carry out their mandate efficiently. For instance, the request made by WRC in 2008 for investment was never received and because of that no request was made for 2009. The 2008 allocation is what is repeated in the 2010 budget," Ms Amenga- Etego explained.

In addition, "All the officers at the sector ministries and agencies we visited indicated that they did not have a problem with absorption. CWSA, however, indicated that there may be a problem of absorptive capacity at the DA level due to delays in awarding contracts—This all boils down to the delay in disbursement of funds to the sector agencies."

Discussions and Recommendations

Participants had lively discussions and came up with a number of suggestions and recommendations: They suggested among other things that, there should be clear cut roles for GoG and DPs; GoG should see to it that public institutions (e.g. GWCL, DWST, CWSA, etc.) are well financed; there should be institutions to make politicians accountable; In this light, advocacy groups should step in and highlight to politicians their manifesto promises on WASH; GoG should place emphasis on time bound projects like borehole drilling which is best done in the dry season, and resources should be channelled accordingly to see to the timely completion; donors should make their contribution to sanitation explicit; the water sector should collaborate effectively with other organizations like the Finance Ministry so as to understand improved disbursement processes; and track the budget allocation, disbursement and expenditure patterns by following up on selected projects implementation and sustainable use of facility.

The 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 and opened to all interested parties. The discussions of each NLLAP meeting are summarized and shared with the wider WASH community. The topics of upcoming meetings are decided on by the RCN secretariat and a list of upcoming 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, Tel. (233-302)/ 769552; Fax: (233-302) 769583; Email: rcn@washghana.net