

GrassRootsAfrica
PUBLIC EXPENDITURE AND BUDGET
ADVOCACY PROJECT

Financing the WASH Sector in Ghana: Random
thoughts.

Presented at a one day workshop organized by the National
Learning Alliance Platform.

by

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Introductory Background to the 2010 tracking

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 in 2008, we were aiming to help address critical financing barriers militating against universal access to sustainable basic sanitation, hygiene and safe drinking in Ghana.

Project Objectives include:

- Get Policy makers to prioritize water and sanitation in their budgets & plans through advocacy
- Encourage sector harmonization through coordinated plans, strategies and reports
- Track public expenditures annually to help improve accountability and efficient use of resources
- Monitor of public budgets annually to expose investment gaps in the sector

A key assumption here is that the problem in Ghana has to do with inadequate investment and perhaps inefficient application of investment resources and not about the shortage of fresh water.

A pre-project random sampling of opinions among WASH sector practitioners in Ghana identified the following as challenges to the optimal delivery of WASH services in Ghana.

- Bureaucracy
- Cumbersome and time consuming procurement processes
- Frequent travelling/absence of signatories to public accounts
- Late release of funds endemic

- Low GOG budgetary allocation to WASH
- Low GOG political prioritization of WASH
- weak sector capacity to develop and implement effective plans and strategies
- Uncoordinated and inadequate investments in these plans and strategies.
- Poor coordination between government agencies and CSOs for purposes of M and E and budget advocacy
- Inadequate consultation between/across ministries

Low political prioritization -Some responses

Honourable Bagbin:

- GOG contribution to WASH has been understated by Public/CSOs, e.g.
- ✓ Counterpart funding is not captured
- ✓ Tax exemptions
- ✓ WASH funds embedded in GetFund, SIF and DACF are not captured as GOG contribution

Views of Participants

Participants at the 2009 budget workshop organized by GrassRootsAfrica concluded that the surest way of filling the gap financing is:

increased government budgetary allocation to the sector through a tax based revenue mobilization strategy.

They suggested the following as additional Sources of Funding:

- Special taxes in the likeness of the talk time tax
- Special levy on high water users such as breweries, mining companies solely for sanitation and water infrastructure
- The business of supplying treated water to ships currently undertaken by the Ghana Ports and Harbours Authority (GHAPPOHA) should revert to GWCL/AVRL as a core business as was previously the case.

- It was also suggested that the 20% tax on packaged water should be used exclusively for the expansion of piped water infrastructure.
- It was further suggested that the collection of property tax should be improved and used to support Environmental health and sanitation s
- 1% tax should be imposed on piped water to be re-invested in the water and sanitation infrastructure.

CHALLENGES-1

The 2009 tracking report listed a number of challenges/problems

Often dismissed by public officials:

- Leadership and governance problems ranging from perceived undue government interference to inadequate accountability, cited GWCL
- Low and half-hearted budgetary allocations, cited WASH in schools
- Low citizens' participation in water and sanitation governance.
- Poor collaborative budget advocacy. Government agencies and civil society are not putting in enough effort to leverage resources for the sector

Participants Suggestions-2

- That a round table discussion be organised within the shortest possible time to discuss constraints to the timely accessing and utilization of budgetary allocations to Service delivery agencies.
- GrassRootsAfrica and CONIWAS were tasked to develop a critical mass to carry the advocacy to a higher level.
- GrassRootsAfrica was also tasked to widen and deepen the tracking of the 2010 budget to determine not only the actual allocations to the WATSAN sector but also the absorptive capacity of the WASH delivery agencies particularly the GWCL, the CWSA and the local government authorities.
- Seek consensus as to what constitutes GOG allocation.

THE GHANA SWA COMPACT

The Ghana COMPACT recognizes the SWA global framework for action as an international partnership of governments, donors, CSOs and specialised agencies and institutions working together to galvanise political commitments to increase global access to sanitation and water.

However many have noted that the government has worked more closely with donors and less with private sector and CSOs.

GOVERNMENT COMMITMENTS

The following commitments by the GoG under the COMPACT provide key nodal points for monitoring:

- The commitment to allocate US\$200m annually towards sanitation and water improvements**
- Additional allocation of US\$150m annually towards hygienic treatment and disposal of septage and faecal sludge as well as sullage and storm- water management.**
- Further allocation up to a minimum threshold of 0.5% of GDP to cover capacity building for hygiene education including proper hand-washing methods, country-wide outreach of Community-led Total Sanitation (CLTS) and general enhancement of enabling elements.**
- Government further undertakes to strengthen and enhance the capacity of Water Directorate and the Environmental Health and Sanitation Directorate with increased budget allocations (including activities for performance reporting by the WSMP) in the 2011 budget statement.**

Conclusion

As we discuss the 2010 tracking report let's don't lose sight of the elements in the 2011 budget. Let's ask ourselves:

- Is government meeting its commitments?**
- Is there something we can start doing now by way of advocacy to influence a mid-year budget review in favour of water and sanitation?**

I hope I have wetted your appetite enough for the next presentation which looks at the 2010 budget.

THANK YOU!