



UN-Water Global Analysis
and Assessment of Sanitation
and Drinking-Water

TRACKFIN INITIATIVE

RESULTS FROM GHANA

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**World Health
Organization**



PRESENTATION OUTLINE

- Brief overview of the WASH sector and its financing in the country
- Scope of the TrackFin study : What does the study include/exclude?
- Results from WASH-Accounts:
 - What is the total expenditure on WASH?
 - How are funds distributed to the WASH sector?
 - Who pays for WASH services?
 - How is funding channelled?
- Lessons learned for the TrackFin Initiative

WHAT IS TRACKFIN

- The TrackFin initiative is to define and test a globally accepted methodology to track financing to WASH at national level, so as to improve our understanding of current expenditure in the WASH sector.

OBJECTIVES OF TRACKFIN INITIATIVE

To find out:

- The total expenditure in the WASH sector?
- Who pays for WASH services and how much do they pay?
- Which entities are the main funding channels for the WASH sector?
- How are funds distributed to the different WASH services and expenditure types?

GHANA SPECIFIC QUESTIONS

- What is the total funding to the WASH sector? Is it sufficient to meet policy priorities, sector plans and targets?
- How are the funds distributed for different components of WASH services (e.g. Investments, O&M for sustainability, Asset Management etc)
- What share of WASH spending is by development partners, households and government? (What is the share of GDP as compared with other essential services like education and health)

GHANA SPECIFIC QUESTIONS

- Which entities are the main channels of funding in the WASH sector and what is the relation between budgetary allocation to these entities and actual spending?
- *How does WASH finance target issues of equity (gender, poverty, geographical differences)? Is there disaggregation to understand how spending is allocated in various areas?*

1. Getting started

1.1. Create political buy-in

1.2. Identify policy questions

1.3. Set up the team in charge of data collection and analysis

2. Collect financial data

2.1. Define WASH sector boundaries in terms of services

2.2. Identify the main WASH sector actors, map service provision and financial flows

2.3. Estimate financial flows and capital stocks

3. Analyse financial data

4. Interpret and disseminate findings

4.1. Analyse and interpret WASH-A data to answer to policy questions

4.2. Disseminate the policy analysis

5. Provide feedback for methodological development

• The Process

1. OVERVIEW OF THE WASH SECTOR IN GHANA

THE WASH SECTOR IN GHANA

- Republic of Ghana:
 - One central government;
 - Ten administrative regions and ;
 - 216 Metropolitan, Municipal & District Assemblies (Local Governments Authorities)
- Water and Sanitation Service Provision:
 - Water subsector is under the leadership of the Ministry of Water Resources, Works and Housing with the Water Directorate being the focal point in the ministry.
 - Ghana Water Company Limited is responsible for urban water (82 water supply systems.
 - Community Water and Sanitation Agency facilitates the delivery of water to rural communities and small towns in close collaboration with MMDAs.
 - Water Resources Commission is responsible for managing the water resources in Ghana
 - Sanitation is under the leadership of the Ministry of Local Government and Rural Development with the Environmental Health and Sanitation Directorate as focal point.
 - The 216 MMDAs are responsible for the direct delivery of sanitation services.

THE WASH SECTOR IN GHANA

- Level of access to WASH services- Key indicators:
 - In 2012, 87% of the population has access to improved water (piped 19% other improved 68%) (MDGs at 76%).
 - In 2012, 14% of the population has access to improved sanitation (MDGs at 54%)
- Problems:
 - Low quality and sustainability of services, low capacity of service providers, insufficient and skilled practitioners,
 - Important investments are required for sewage/septage treatment,
 - High inequality in coverage between urban, peri-urban, low-income-urban and rural.

	2012	
Total population	25.4 million	
	Urban	Rural
% of urban and rural population	52.6%	47.4%
% of access to water 2012	93%	81%
% of access to sanitation 2012	20%	8%

2. SCOPE OF TRACKFIN STUDY IN GHANA

SCOPE OF THE TRACKFIN STUDY

- Period of data collection: 2010 to 2012.
- The study follows the methodology proposed in the TrackFin Guidance Document
- Data was collected from national institutions and development partners.
- No data was obtained from the following
 - Public Utilities Regulatory Commission
 - NGOs
 - Corporate Social Responsibility (Corporate bodies & Religious orgs)
 - Water and Sanitation Management Teams (for small towns)
 - Private Utility Service Providers (for small towns)
 - Government Emergency funds

KEY STAKEHOLDERS

- Ministry of Finance
- Ghana Statistical Service
- Ghana Water Company Limited
- Community Water and Sanitation Agency
- Water Resources Commission
- Water Directorate, MWRWH
- EHSD, MLGRD
- MMDAs
- Development Partners
- NGOs (International & Local)

FUNDING in the WASH SECTOR



Most data received



Estimates made



No / little data received












OTHER STATISTICS

- 2012 GDP Total = GHS 73,109 million
- WASH Expenditure = GHS 937 million
- % of GDP = 1.28%
- Per capita WASH spending = GHS 36.2
- % WASH Expenditure by Households = 38.2%

DPs (484M) + GWCL (10M) + GoG (85M) + Households (358M) + NGOs..



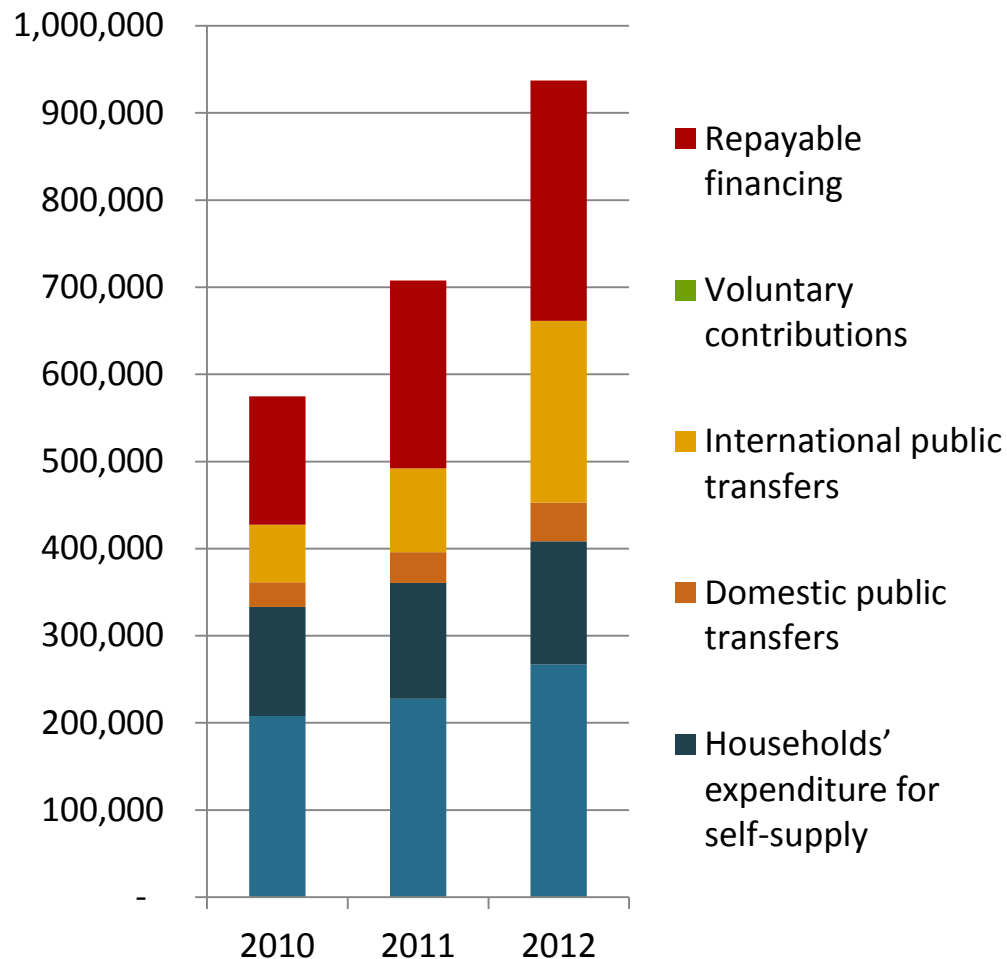
FINANCING FLOWS INCLUDED IN THE STUDY

Financing sources	Availability of data	Data availability challenges	Methods used to overcome these challenges
Tariffs for services provided		Data available for urban water.	
Households' expenditures for self-supply		Data from 2013/2014 Ghana Living Standards Survey (GLSS) not concluded at time of study.	Estimations made from 2005/2006 GLSS survey based on average household expenditure.
Domestic public transfers (central government)	 	Data from MoF to sector agencies was not obtained, but data on receipts from agencies available.	
Domestic public transfers, (local governments)	 	Total transfer from MoF to DACF for distribution to MMDAs.	15% of transfers estimated for water, sanitation and support services.
International public transfers (Grants from public donors or multilaterals)	 	Data from development partners available from MoF.	
Voluntary contributions transfers (NGOs)		Data not available.	
Repayable financing (Loans)	 	Data from development partners available from MoF.	

3. HIGHLIGHTS FROM WASH-ACCOUNTS

1. WHAT IS THE TOTAL EXPENDITURE ON WASH? (1)

- Total expenditure to WASH has been improving in nominal and to a lesser extent in real terms, following GDP growth.
- There is a gradual increase in WASH expenditure from domestic public transfers, households and voluntary contributions
- Financing coming from international public transfers and repayable financing are at a marginally higher rate than that from domestic public transfers, households and voluntary contributions.



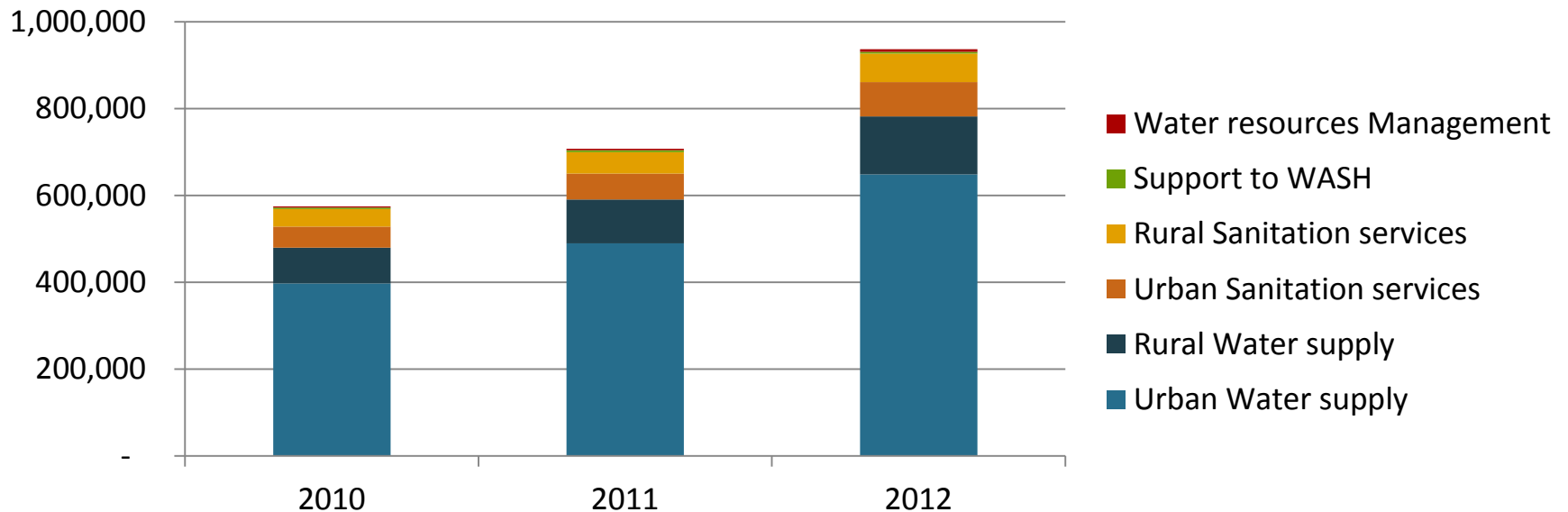
1. WHAT IS THE TOTAL EXPENDITURE ON WASH? (2)

Expenditure to WASH still falls behind that in the health sector.

	Unit	2010	2011	2012
Total expenditure to WASH	Local currency	575 m	708 m	937 m
	USD	402 m	468 m	521 m
Total expenditure to WASH per capita	Local currency	23.69	28.51	36.94
	USD	16.55	18.86	20.57
Total expenditure to WASH as a % of GDP		1.25%	1.26%	1.28%
Total expenditure to health as a % of GDP		5.29%	5.27%	5.17%
Total expenditure to education as a % of GDP		5.5%	8.1%	N/A
Official exchange rate (LCU per US\$, period average))		1.431	1.512	1.796

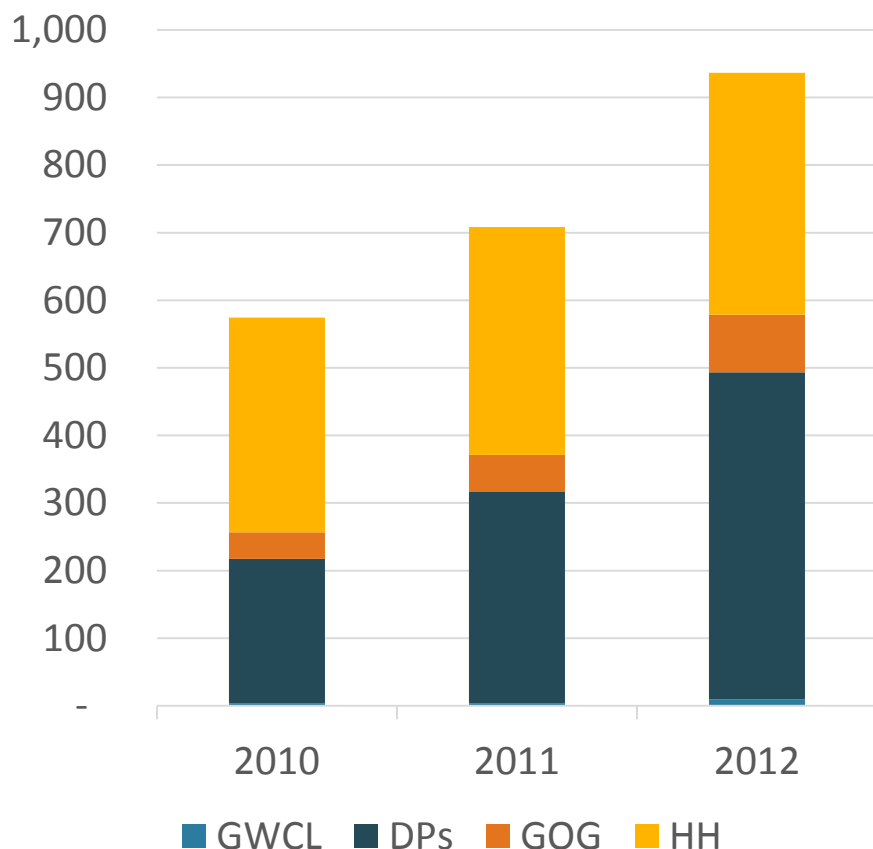
2. HOW IS FUNDING DISTRIBUTED?

WASH Funding by sub-sectors



- Urban water accounts for about 70% of WASH expenditure.
- WASH expenditure for urban sanitation is about 8.5% and rural sanitation 7%.
- The low spending on sanitation is unfortunate since Ghana has achieved the MDG for water but is lagging behind for sanitation.
- From the access figures for water, piped into premises accounts for 19% while other source account for 68%. Efforts are to increase access to piped services.

2. HOW IS FUNDING DISTRIBUTED?

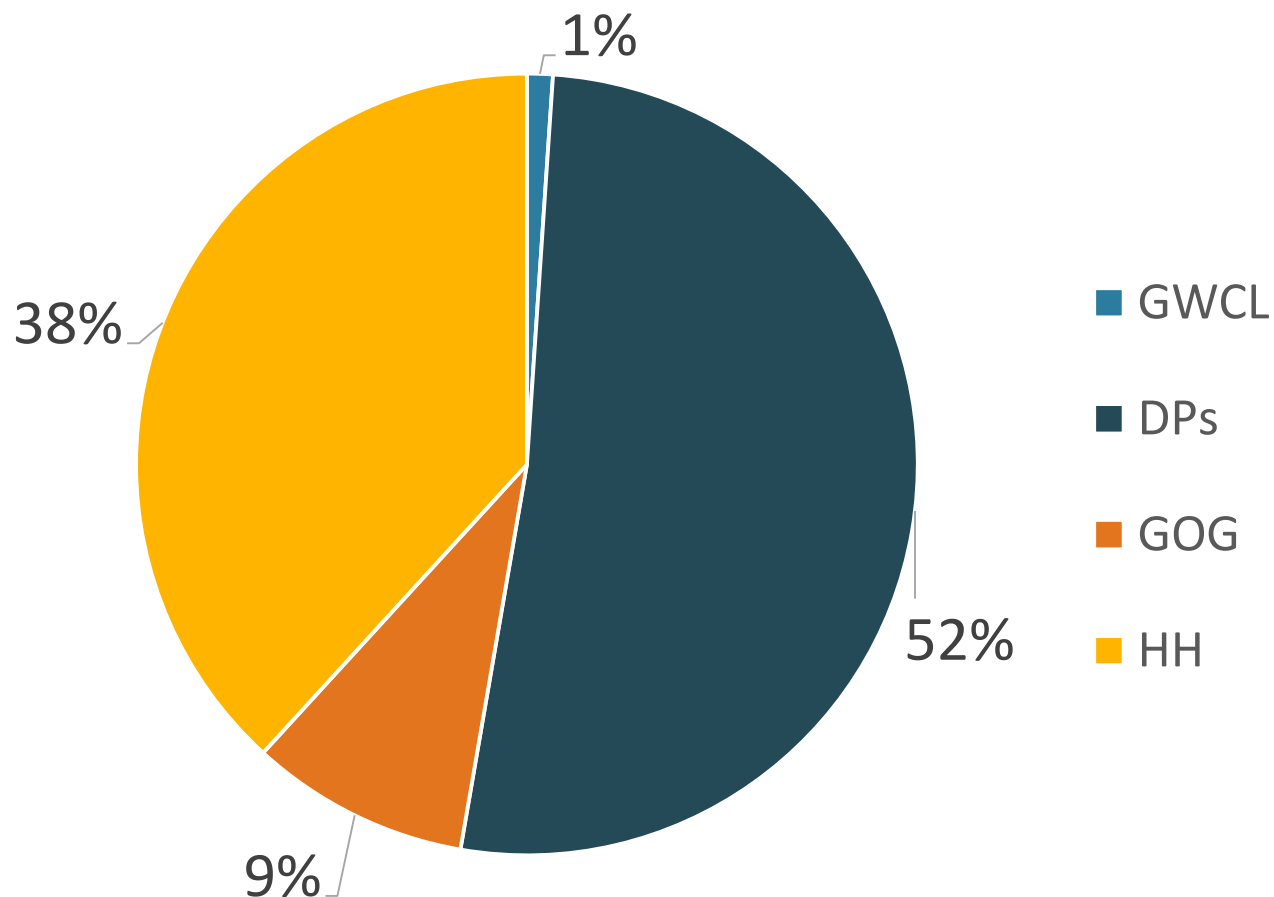


WASH Expenditure by Financing Unit

- The major financing units for WASH are households and development partners.
- GWCL expenditure that comes from sources other than tariffs and development partners accounts for less than 1%.
- Household expenditure has been extrapolated from the Ghana living Standards Survey 2005/2006. This accounts for the linearity in growth over the period.
- Government expenditure includes the payment of institutional water bills and accounts for about 50% of the government expenditure

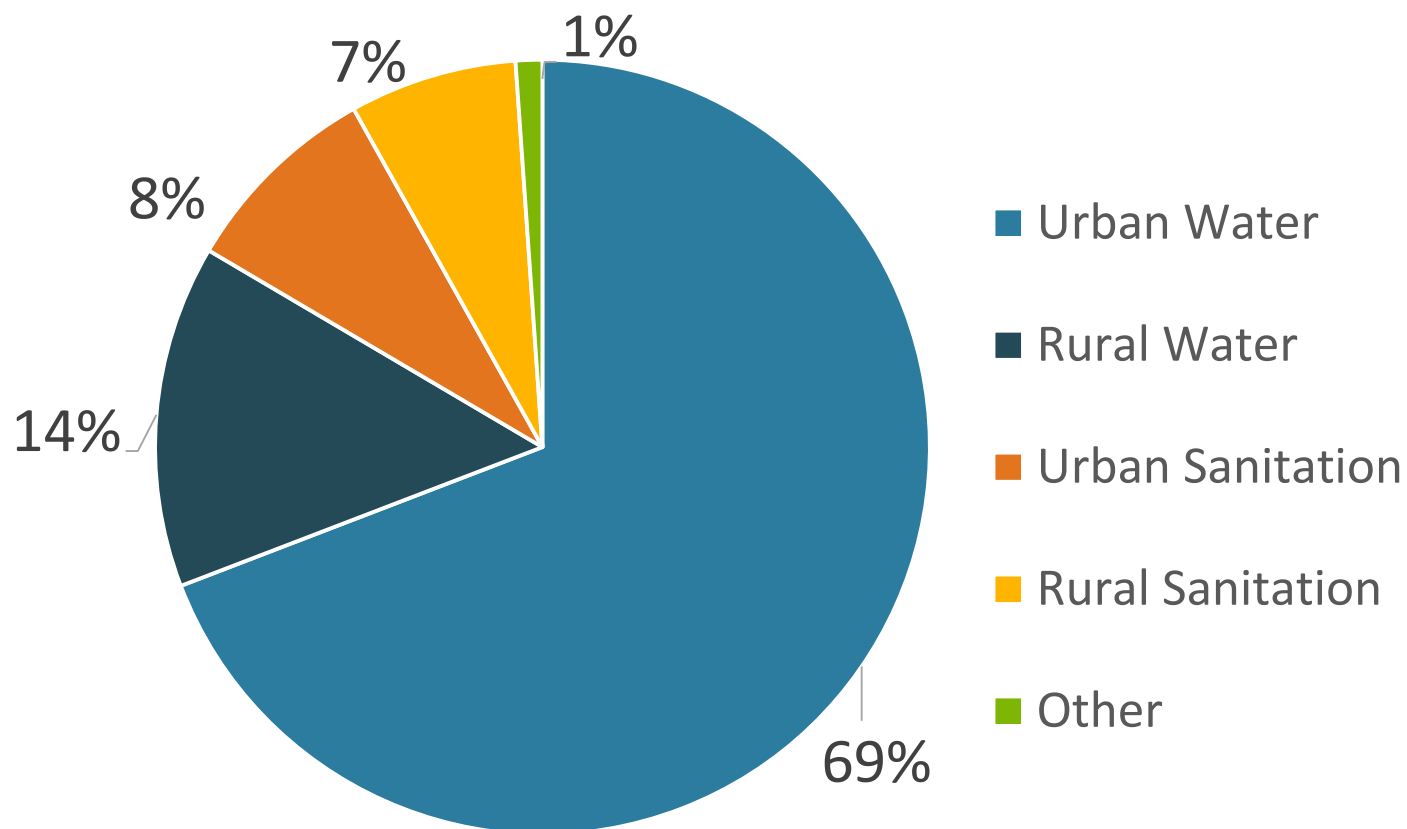
WASH SPENDING BY GOG, HOUSEHOLDS & DPS

- 2012



HOW ARE FUNDS DISTRIBUTED FOR WASH IN GHANA

- 2012



4. HOW IS FUNDING CHANNELLED?

- Majority of funding for WASH is from DPs (about 50%) and is channelled through the Ministry of Finance.
- There is a small percentage from DPs for some specialised Technical assistance which may not pass through government.
- Household expenditure is significant (about 30%) and goes for tariffs and self supply.
- Funding for household toilet construction was not captured.

4. LESSONS LEARNED FOR TRACKFIN

LESSONS LEARNED FROM TRACKFIN PROCESS IN GHANA

- Government recognizes the importance of the process. It helps in tracking international WASH commitments.
- Involvement of Heads of Sector Institutions facilitates data collection.
- DPs and NGOs should be encouraged to disaggregate data. Data collection from NGOs was a challenge.
- The Sector Information System under development will improve data collection.
- MMDAs will require more effort to undertake nationwide data collection for 216 MMDAs. Use estimates from DACF...
- Districts spend negligible amount on water...

RECOMMENDATIONS FROM TRACKFIN PROCESS IN GHANA

- Engage senior level government (CEOs, MDs, Chief Directors)
- Data collection at local government level will be improved with selection of key MMDAs
- CONIWAS will be engaged early at a higher level
- DPs to be engaged early to enable them provide disaggregated data.
- Data collection mechanisms should be in line with the GIFMIS
- Expenditure on construction of household toilets should be captured
- The finance component of the Sector Information System is being developed with the TrackFin data as a backbone.



MINISTRY OF WATER RESOURCES
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THANK YOU!

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ANNEX1 - SUMMARY OF RESULTS

	Unit	2010	2011	2012
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Total expenditure to education as a % of GDP		5.5%	8.1%	N/A
Total expenditure on urban WASH as a % of total WASH expenditure		68%	69%	69%
Total household expenditure as a % of WASH expenditure		21.78%	18.80%	15.07%
Total government domestic transfer expenditure and as a % of WASH expenditure		4.92%	4.99%	4.75%
Total international transfer expenditure and as a % of WASH expenditure		11.46	13.61	22.25%
Total operating and maintenance costs as a % of total WASH expenditure		NA	NA	NA
Official exchange rate (LCU per US\$, period average))(source: World Data Bank)		1.431	1.512	1.796

ANNEX 2: DATA REQUIREMENTS - SPENDING BY NGOS

YEAR	2011 (GHS/Other)	2012 (GHS/Other)	2013 (GHS/Other)
Urban Water			
Rural Water			
Urban Sanitation			
Rural Sanitation			
Hygiene - Urban			
Hygiene - Rural			
Training			
Water Resources			
Support Services			
Internal Admin			
Other			

DATA REQUIREMENTS – FUNDING SOURCES

YEAR	2011	2012	2013
International			
Local			
CSR			

HOW MUCH DO YOU SPEND ON WHAT?

- On projects and programmes directly?
- Through Central Government (which organisations specifically)?
- Through MMDDAs?
- Through other NGOs/CBOs?

WAY FORWARD...