



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

TRACKFIN INITIATIVE

RESULTS FROM GHANA

HAROLD ESSEKU

ACCRA, SEPTEMBER 29, 2014

TRACKFIN INTER-COUNTRY MEETING



**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

1. OVERVIEW OF THE WASH SECTOR IN GHANA

THE WASH SECTOR IN GHANA

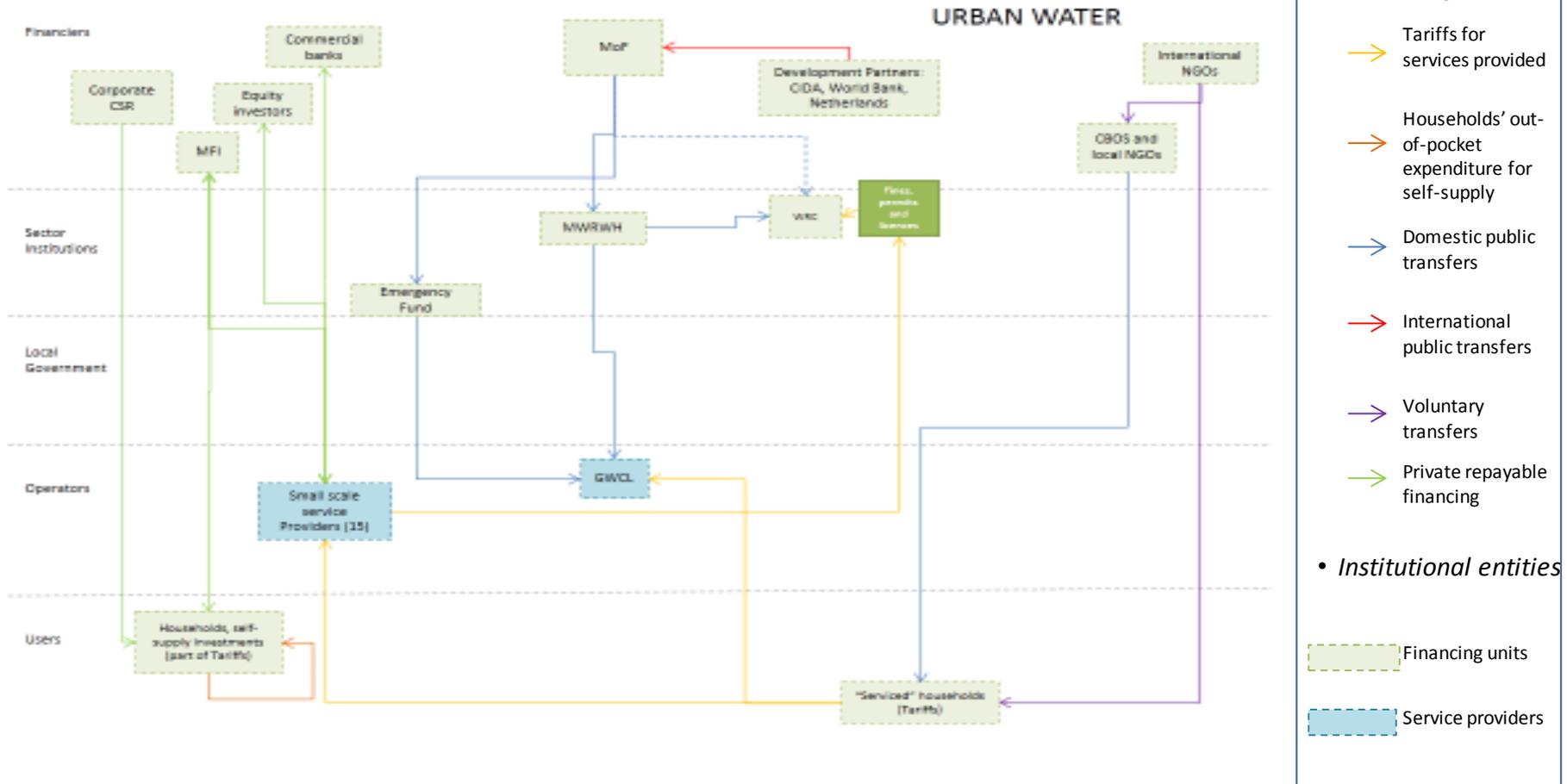
- Republic of Ghana:
 - One central government;
 - Ten administrative regions and ;
 - 216 Metropolitan, Municipal & District Assemblies (Local Governments Authorities)
- Water and Sanitation Service Provision:
 - Water subsector is under the leadership of the Ministry of Water Resources, Works and Housing 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

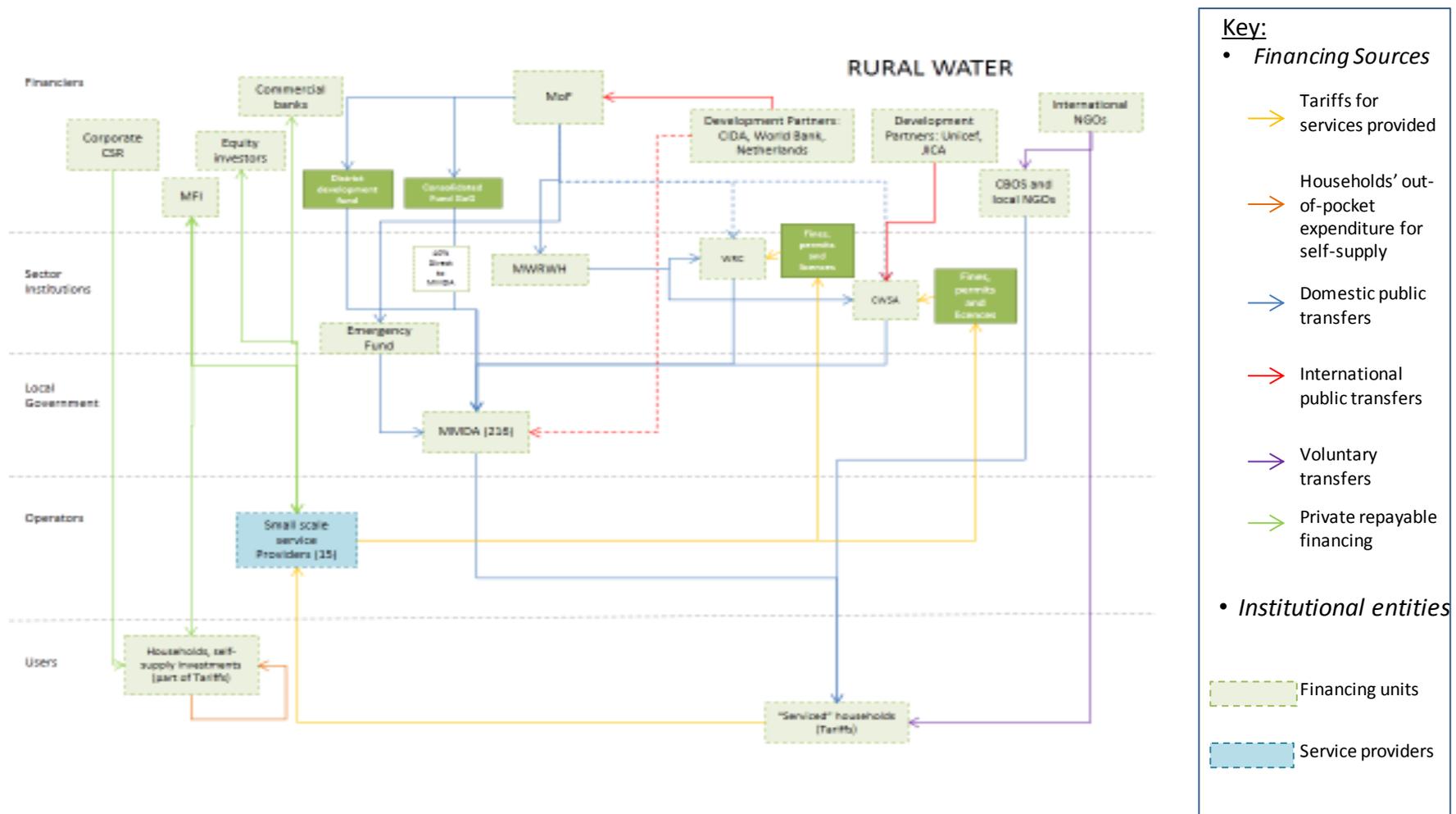
- Level of access to WASH services- Key indicators:
 - In 2012, 87% of the population has access to improved water (piped 19% other improved 68%) (MDGs at 76%).
 - In 2012, 14% of the population has access to improved sanitation (MDGs at 54%)
- Problems:
 - Low quality and sustainability of services,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

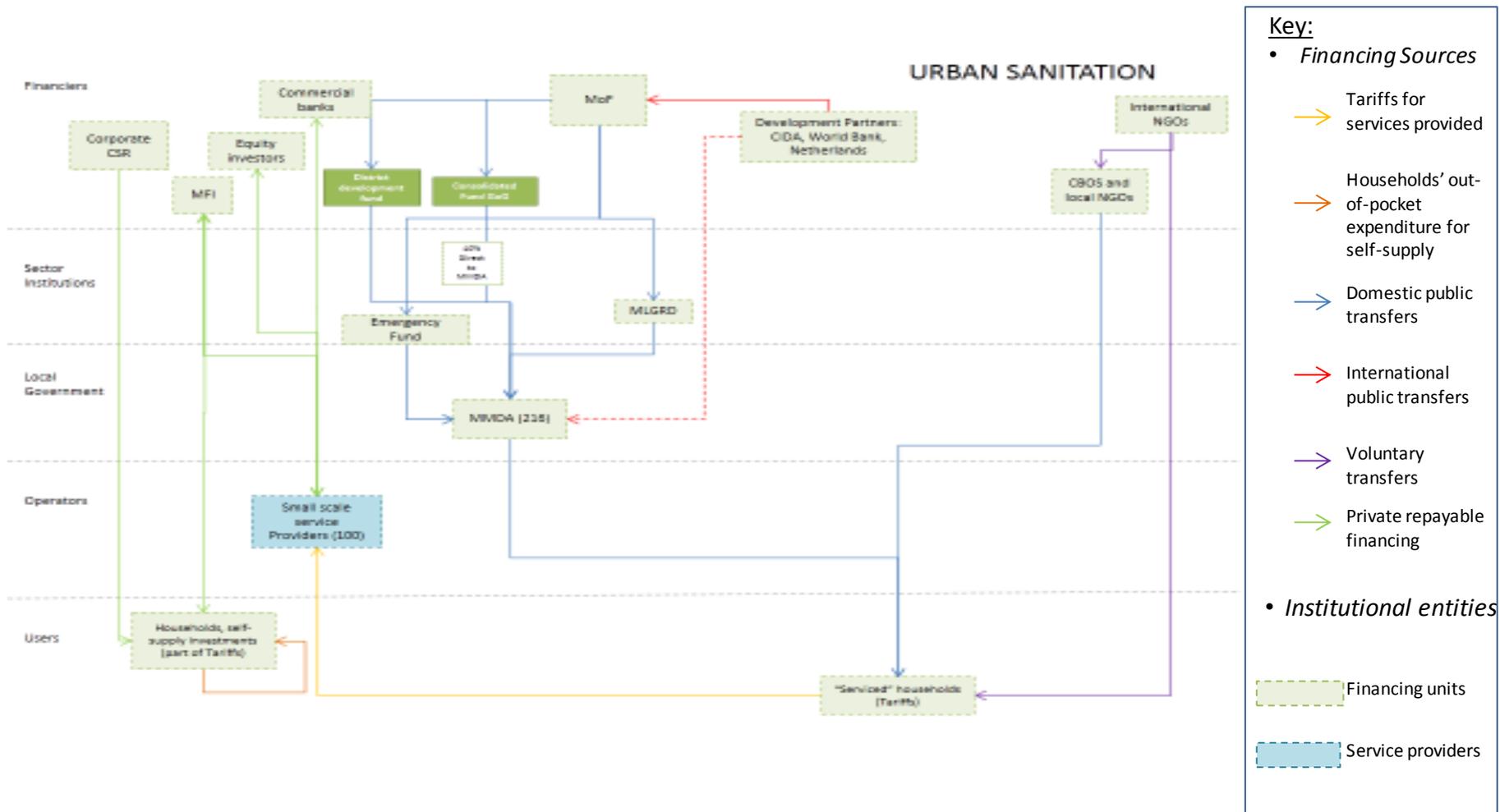
WASH ACTORS AND FINANCIAL FLOWS - URBAN WATER



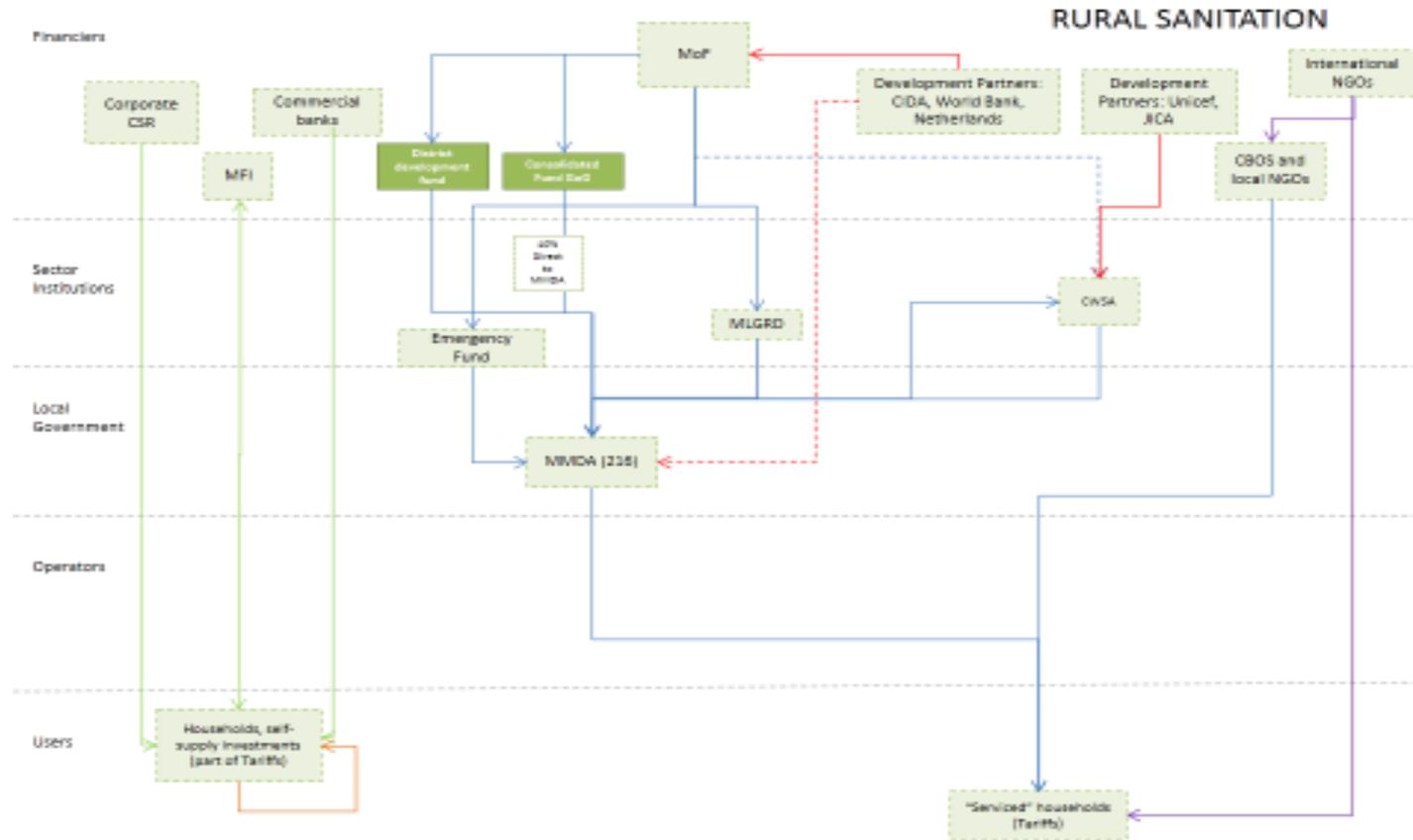
WASH ACTORS AND FINANCIAL FLOWS – RURAL WATER



WASH ACTORS AND FINANCIAL FLOWS – URBAN SANITATION



WASH ACTORS AND FINANCIAL FLOWS – RURAL SANITATION



Key:

• Financing Sources

- Tariffs for services provided
- Households' out-of-pocket expenditure for self-supply
- Domestic public transfers
- International public transfers
- Voluntary transfers
- Private repayable financing

• Institutional entities

- ▭ Financing units
- ▭ Service providers

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

SCOPE OF THE TRACKFIN STUDY

- Estimates were made for MMDA spending on WASH
- Disaggregated data on the following was not obtained:
 - WASH expenditure by type of use and WASH service
 - WASH expenditure by type of cost and WASH provider
 - WASH expenditure by type of cost and main WASH service
 - Fixed asset stocks by type of WASH provider

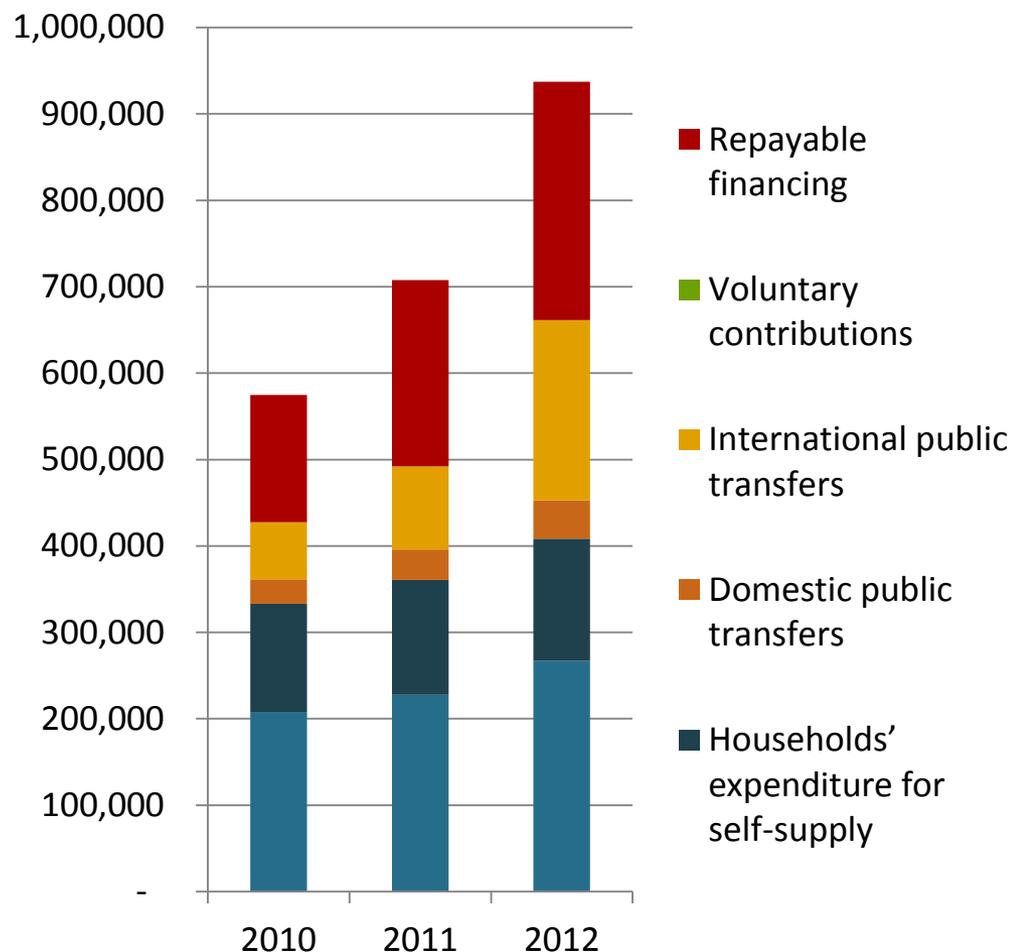
FINANCING FLOWS INCLUDED IN THE STUDY

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)

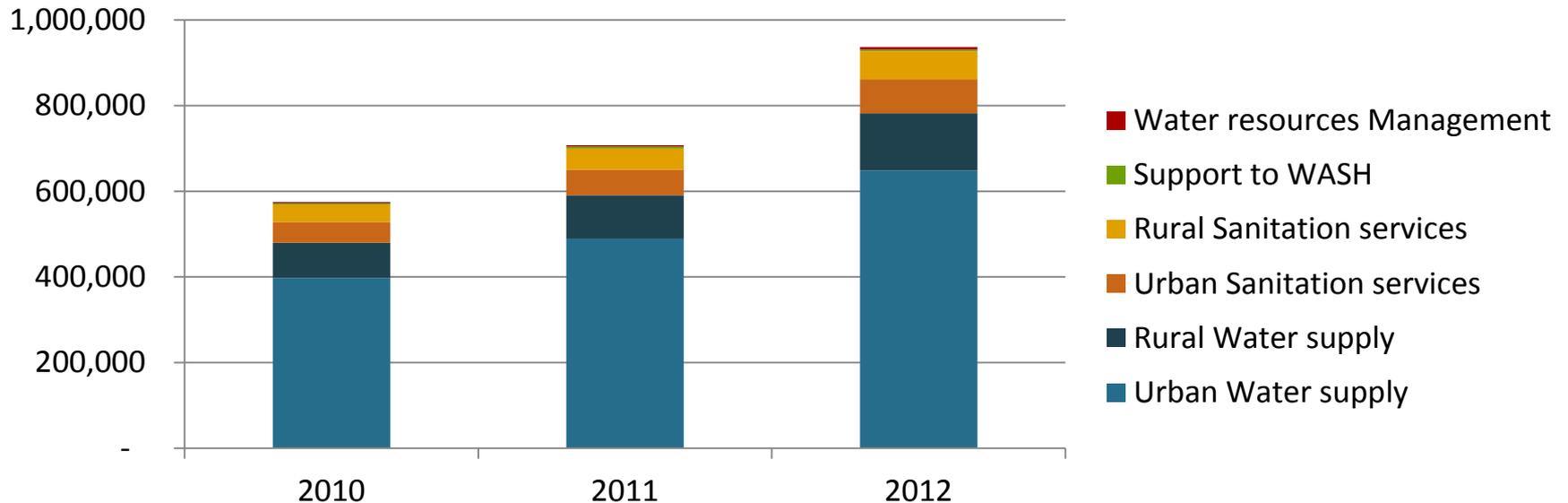
Expenditure to WASH still falls behind that in the health sector.

	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

(source: World Data Bank)

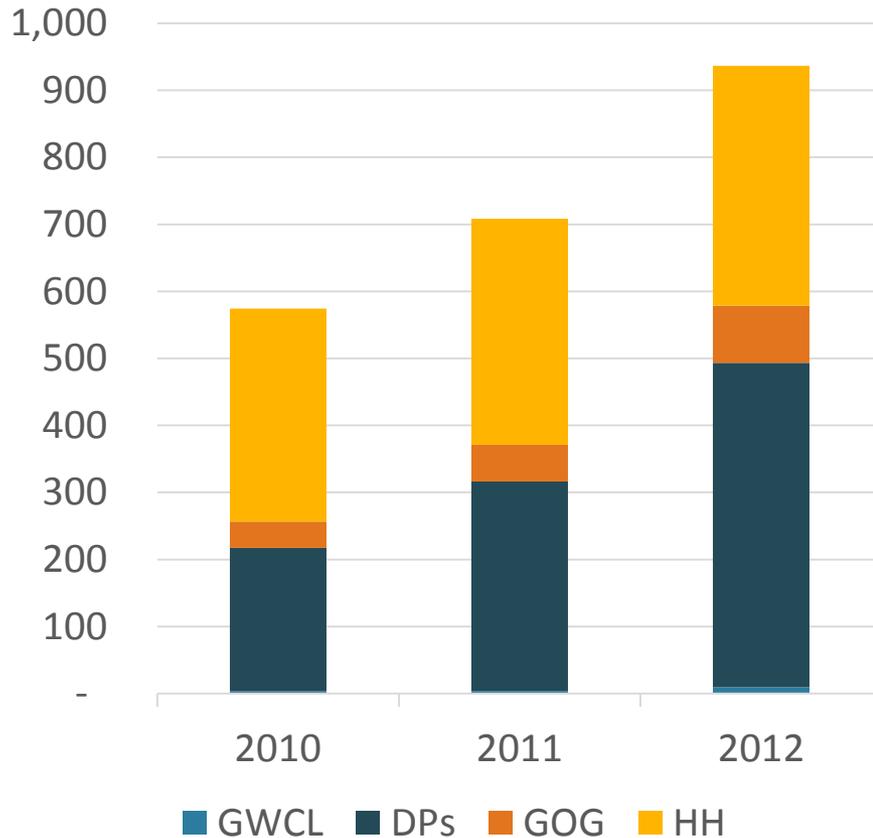
2. HOW IS FUNDING DISTRIBUTED?

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?

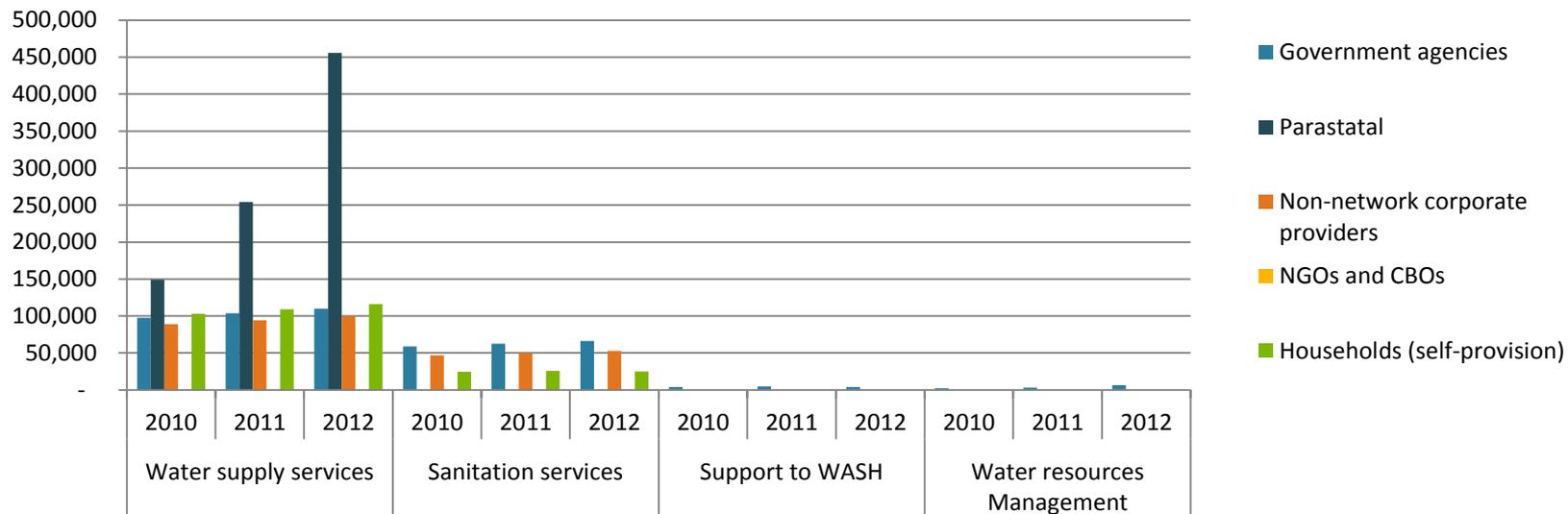


WASH Expenditure by Financing Unit

- 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

3. WHO PAYS FOR WASH SERVICES?

- WASH expenditure by type of financing unit



- Expenditure by GWCL for urban water services is the highest
- Support to WASH services by EHSD and the Water Directorate are relatively very small
- Expenditure for the Water Resources subsector is also very small
- MMDAs are estimated to spend about 15% of resources from the District Assemblies Common Fund (which is 7.5% of national revenue on WASH. Expenditure for water is less than 1% of this amount

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.
- The Sector Information System under development will improve data collection.

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.

FEEDBACK ON THE METHODOLOGY

- The existing classifications provided for the methodology are generally okay but a few modifications will be required.
- Regional data from GWCL for urban water can be obtained to give the regional breakdown for urban water services.
- The CWSA should be able to provide data for rural and small towns' water supply once the Sector Information System is completed and baseline input completed and updated as required.
- Improve data input sheets:
 - The breakdown of the WASH input for financing sources will have to be well broken down for ease of computation.
 - A single input table with clear indications of the separation of data from various sources e.g. government, DPs and households (household surveys) should be used instead of having a separate input sheet for DP information.
 - The necessary calculations for the output sheets may be developed and locked, so the input data reflects directly in the output sheets.



MINISTRY OF WATER RESOURCES
WORKS AND HOUSING



MINISTRY OF WATER RESOURCES
WORKS AND HOUSING

THANK YOU!

Harold ESSEKU (hesseku@yahoo.com)

ANNEX1 - SUMMARY OF RESULTS

	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
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