



2021 WASH BUDGET BRIEF



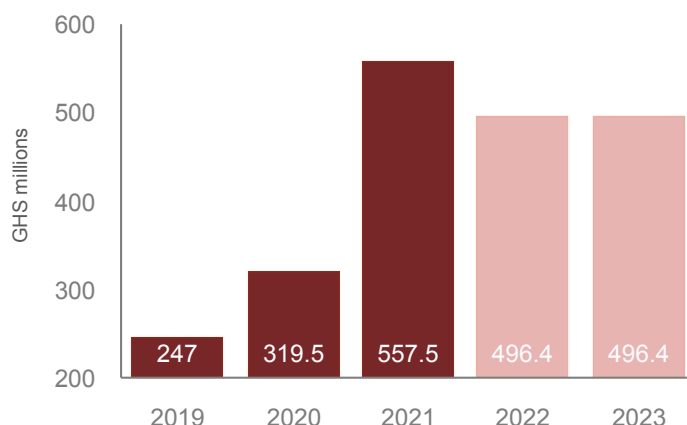
Ghana has made good progress in access to basic water against the target of the 2018 – 2021 Medium Term National Plan, having exceeded the target for national and urban (remaining slightly below targets for rural areas), thanks to a solid foundation laid during the MDG era. Despite this good progress, there are fundamental challenges in the safety and reliability of access to water. Only 1 in 2 water points (47%) meet the standard functionality criteria. Water quality, both at source and point of use, poses serious health risks with 48% of water sources at risk of faecal contamination, and 76% of Ghanaians at risk of drinking faecally contaminated water. This correlates with the poor state of sanitation in Ghana, where 18% of people still practice open defecation and access to basic sanitation stands at only 24%. This is well below the national vision for sustainable basic water and sanitation services for all by 2025. While there have been recent improvements in hygiene awareness (and hand hygiene practices) in response to the COVID-19 pandemic, it is difficult to confirm the sustainability of practices.

The Government of Ghana (GoG) is committed to improving access to water and sanitation services through various sectoral policies, strategies and plans. However, the financing of services remains a major challenge. Ghana faces serious constraints when it comes to expanding access to adequate and safe sanitation and water. Economic growth in Ghana has been accompanied by rapid urbanization, putting strain on urban infrastructure, including the provision of sanitation and water facilities.

The total WASH budget of GHS 558 million in 2021 constitutes an increase of 74% from 2020, but the amount is well below the required budget for the sector, estimated to be GHS 1,750 million to provide basic services. The planned future decreases in the budget from this level may potentially undermine some of the progress that has been made and will affect proper planning and implementation within the sector.

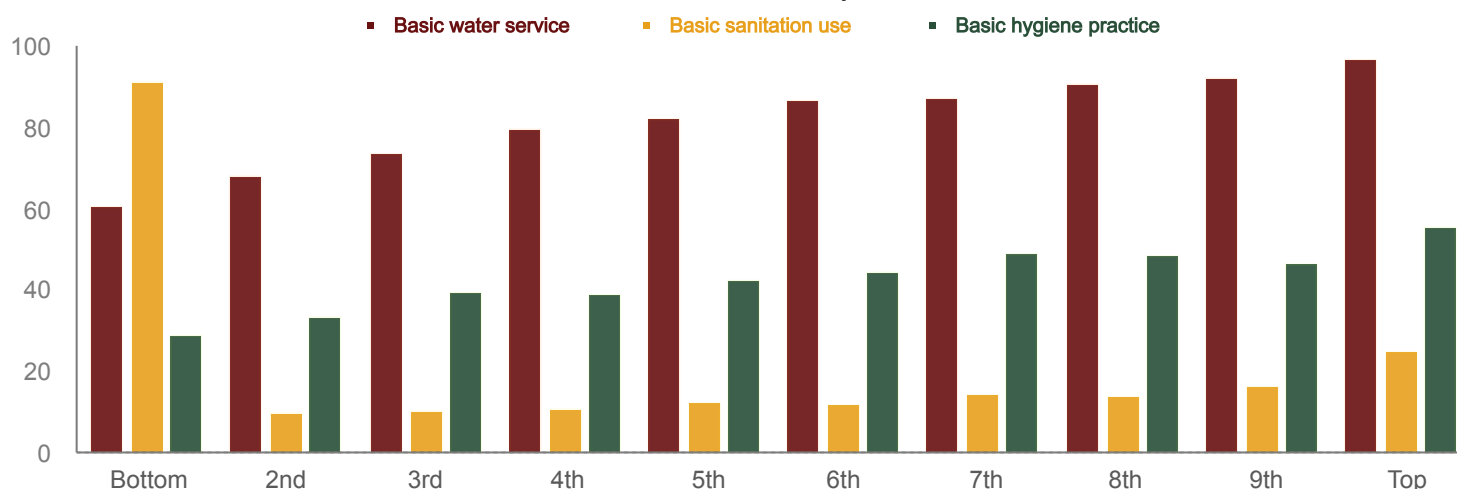
Significant income-related inequities remain in the access to basic water and basic hygiene. Furthermore, basic sanitation use remains extremely low across all income deciles. This pattern is attributable to the low level of access to sanitation overall.

WASH sector historical and forecasted budgets, 2019-2023



Source: MoSWR MTEF, 2019-2021

Basic WASH service access by income decile



Source: UNICEF. 2019. Assessing the Affordability of Water, Sanitation and Hygiene: Ghana Country Case Study

WASH SECTOR BUDGET BRIEF



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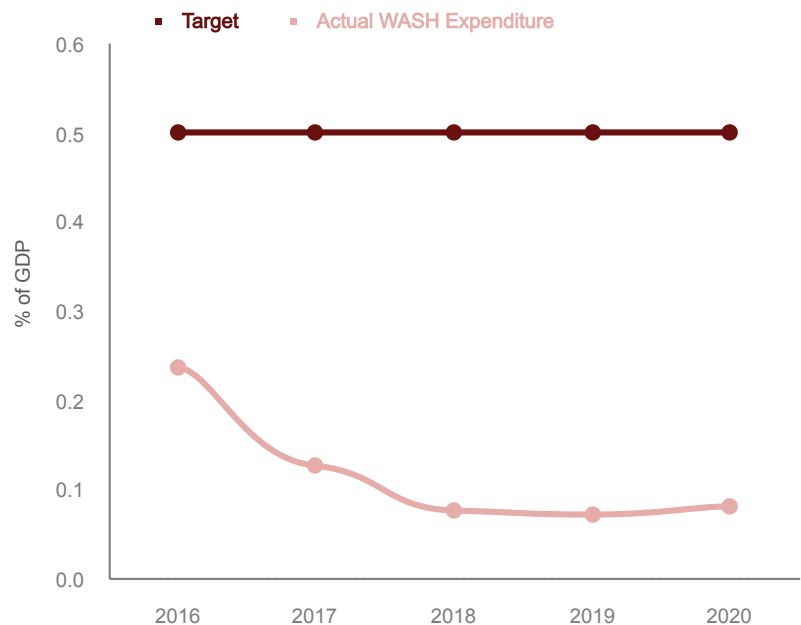
Prioritize the WASH sector in the allocation of government budgets. Despite a government commitment to allocating 0.5% of GDP to fund sanitation interventions at the high-level meeting on Sanitation and Water for All in 2019, government expenditure on WASH in 2020 was only 0.07% of GDP. The WASH sector continues to be predominantly financed by development partners.



Total expenditure on WASH is set to increase to 0.13% of GDP in 2021. While this is an improvement, it remains below 2016 levels, and well below the government's stated commitment to allocating at least 0.5% of GDP to WASH, as per the 2008 eThekweni Declaration, to which Ghana is a signatory. Furthermore, by 2023, expenditure is expected to fall back to 0.09% of GDP. This indicates that the WASH sector is not being adequately prioritised by the government. This will have dire implications for Ghana attaining the various targets of SDG 6.

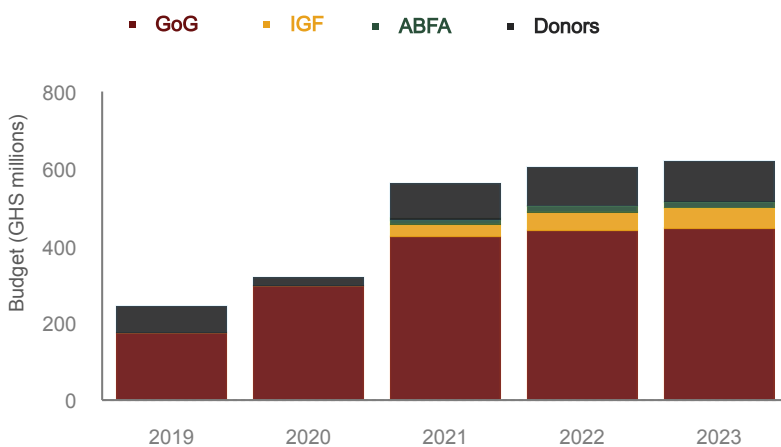
As depicted in the graph below, the WASH sector is predominantly donor funded, with donors contributing over 70% of the funding for the sector for the last three years (2019 – 2021). This poses a risk to the WASH sector, as the current levels of service and investment are reliant on external parties, and is inconsistent with the government's Ghana Beyond Aid (2019) policy which envisages that the government should work to progressively replace these donor funds with own funds to improve sustainability and ownership within the sector.

WASH sector budget as a % of GDP, 2016-2020



Source: Medium-term Expenditure Frameworks: Ministry of Sanitation and Water Resources, 2016-2019

Source of funding for WASH sector, 2019-2023

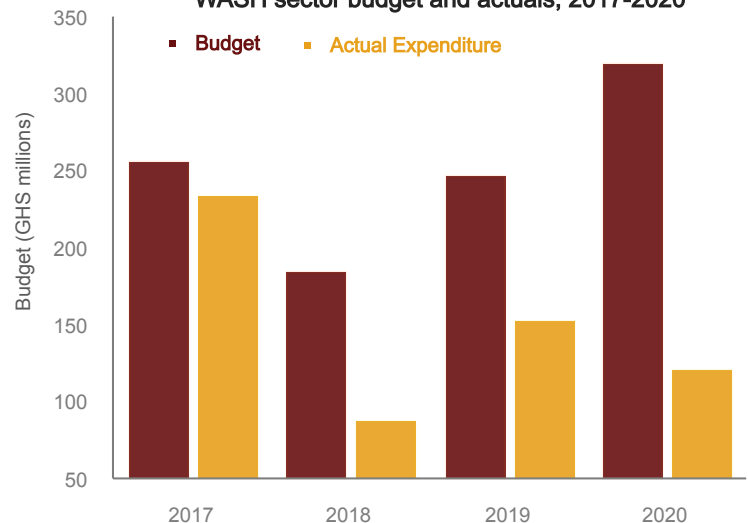


Source: Medium-term Expenditure Frameworks: Ministry of Sanitation and Water Resources, 2016-2019

The overarching goal in the WASH sector is to ensure universal access to safe drinking water and sanitation, supported by good hygiene practices. However, the primary challenges are inadequate funding for the sector and the fragmented management of the funds. It is estimated that over GHS 6.0 billion per year is needed to achieve the SDG 6 targets on water and sanitation. In 2021, total public funding is at GHS 560 million – less than 10% of the total financing requirement. With a pattern of decreasing donor funding, Ghana is likely to miss the SDG 6 targets on water and sanitation unless some drastic measures are taken to increase the allocation through diversified funding portfolios.

There is a clear need for government to increase investment in the WASH sector to accommodate the growing needs of the sector. Among the best sources of additional funds for the WASH sector is the reprioritisation of public expenditure towards WASH. It must be noted that although WASH is an important SDG and is among the Government's policy imperatives, the sector has actually been assigned relatively minor budgetary allocations – especially given the rapid pace of urbanisation and sanitation-related challenges in Ghana. The government should therefore review the priority they have assigned to the sector and begin to supplement the already relatively high donor contributions to the sector with additional government funding. This increase in government funds will not only allow the WASH sector to expand but will also reduce the risks associated with the current reliance on donor funds.

WASH sector budget and actuals, 2017-2020



Source: MoF Budget Statements, 2017-2020

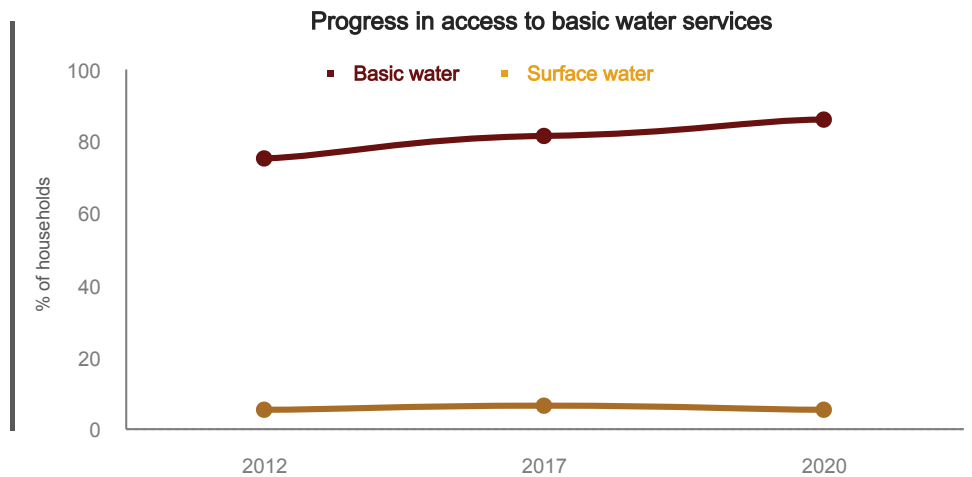


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Allocate at least GHS 200 million per annum to provide access to safe water. Around 14% of the population, or 4.3 million Ghanaians, don't have access to basic water and majority of them use unprotected water sources. Significant increases in budget allocations are required to ensure that all Ghanaians are provided with access to a basic water service (safe water within a 30-minute round trip) by 2025.

About 14% of Ghana's population (about 4.3 million people) still lack basic water and majority of them rely on unprotected sources. While the situation is particularly challenging in rural areas where 16% or 2.1 million rural Ghanaians use unsafe water sources, and an additional 1.6 million must travel more than 30 minutes to collect water, this issue is not limited to rural areas – in low income, high-density urban and peri-urban areas, nearly 700,000 (or 4%) of people lack access to basic water. This poor situation is replicated in public spaces and institutions such as schools and health facilities, which are of key importance as highlighted by the COVID-19 outbreak in 2020.

This situation requires a coordinated mix of approaches including improvements in data and decision support systems for better targeting, enhanced feasibility analysis, improvements in service regulation and innovative financing and partnerships for both investments and operations and maintenance. When it comes to financing, private sector participation is key. It is estimated that it would require capital expenditure in excess of GHS 4.3 billion per year for Ghana to achieve the SDG targets for water.



Source: Ministry of Finance Budget Documents, 2016-2020

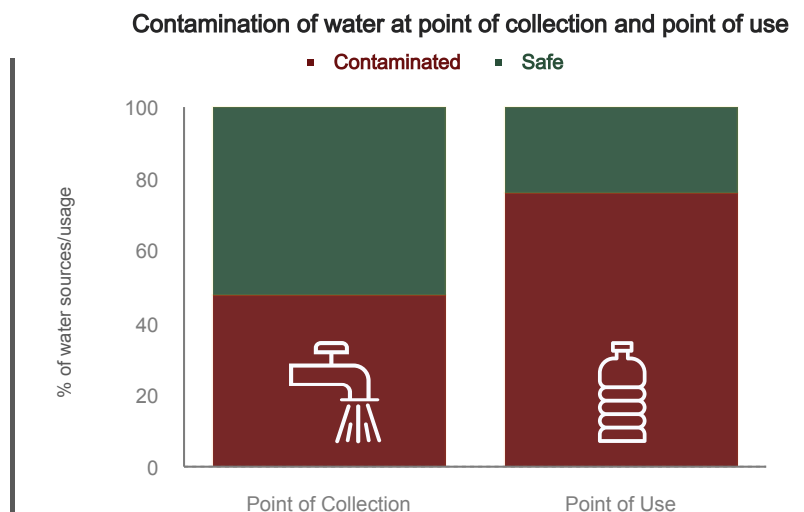
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Allocate GHS 40 million per annually to strengthen the Water Quality Framework (WQFW) through scaling-up the implementation of the Water Safety Plan (WSP). Despite the target of SDG 6.1 – to achieve universal and equitable access to safe and affordable drinking water by 2030 – about 48% of water sources in Ghana are contaminated at the point of collection, while about 76% of household water is contaminated at the point of use.

About 48% of water sources in Ghana are at significant risk of contamination at the point of collection, while about 76% of household water is contaminated at the point of use. This reality poses a significant challenge to the achievement of SDG 6.1, which is to, by 2030, achieve universal and equitable access to safe and affordable drinking water for all.

Water quality management in Ghana has largely been response-based, with issues identified through compliance testing programmes. However, under this approach, there are no synergies between water supply, sanitation and hygiene development initiatives. This partly explains the existing water safety risks and the deterioration in water quality from source to the point of use.

In 2016, Ghana adopted a National Drinking Water Quality Management Framework (NDWQMF), which recommends the Water Safety Plan (WSP) approach, including Household Water Treatment and Safe Storage (HWTS). This is a proactive, risk-based approach to drinking water quality management, in line with global best practice. Under the Framework, communities (users) and service providers identify key risks within water supply services and take preventive measures to address them before they occur. The approach is gaining momentum in both the rural and urban sub-sectors in Ghana. However, for effective implementation at scale, the rate at which the relevant structures are being established needs to be accelerated, and more technical assistance is required to support effective implementation, awareness creation and social mobilisation



Source: UNICEF Ghana, 2020



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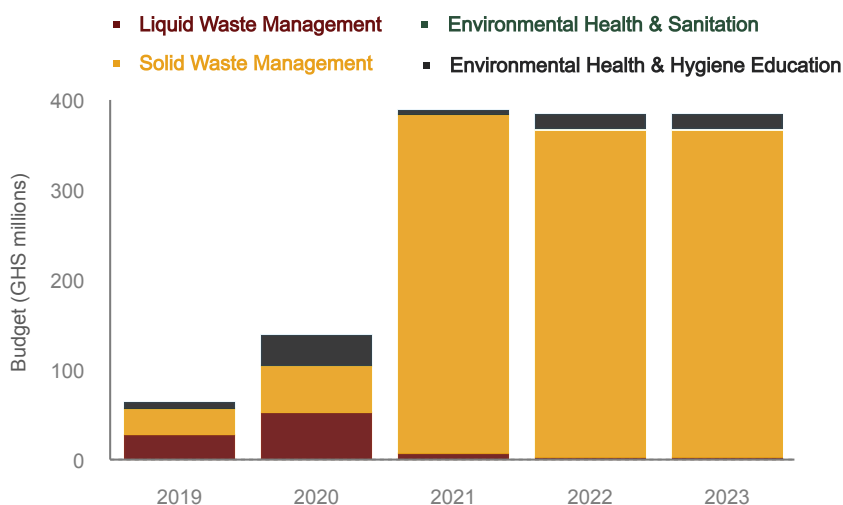
Allocate GHS 100 million per annum to scale-up results-based and district-led sanitation and hygiene activities so as to achieve the SDG targets at local level. Double the level of budget allocation to scale-up proven approaches in sanitation, to ensure Ghana realises the SDG 6.2 target of providing access to adequate and equitable sanitation and hygiene for all and ending open defecation by 2030.



Ghana, as a signatory to the SDGs, has committed to achieving universal access to sanitation and eliminating open defecation by 2030. Given the current low level of safely managed sanitation services, it is estimated that over GHS 10 billion will be required for sanitation infrastructure between now and 2030 to achieve the SDG target 6.2, safely managed sanitation. This requires approximately GHS 1 billion per annum to be spent on sanitation management.

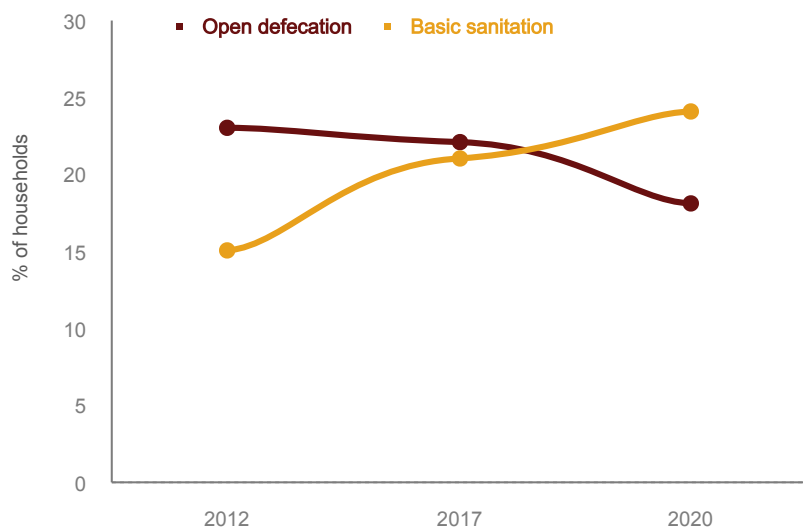
According to the MoSWR's 2021 Programme Based Budget document, the Sanitation Management Budget is set to increase from GHS 139 million to GHS 388 million, an increase of nearly 180%. This is certainly a welcome increase. However, it remains below 40% of the total estimated funding requirement to meet SDG 6.2, and nominal decreases in funding in 2022 and 2023 indicate that the purchasing power of sanitation management programmes is set to decrease. Furthermore, the allocation is heavily geared towards solid waste management, seemingly at the cost of broader investments in liquid waste management and environmental health and hygiene education, both of which have seen significant declines in their nominal budgets. A more balanced approach in the apportioning of the increased sanitation management budget would likely offer a more sustainable and equitable path to achieving SDG 6.2.

Historical and forecasted Sanitation Management Budget, 2019-2023



Source: Medium-term Expenditure Frameworks: Ministry of Sanitation and Water Resources, 2016-2019

Rates of basic sanitation coverage and open defecation, 2012-2020



Source: UNICEF, 2021

There remains, therefore, an urgent need to provide adequate funding to accelerate demand generation activities to End Open Defecation in Ghana, a mandatory step towards SDG 6.2, and to provide adequate funding for facilitating supply of toilet products and services using a market-based approach. The establishment of these businesses serve as an avenue for job creation and local economic development at the district level. In the rural areas where these demand creation and supply approaches have been implemented in the recent years, significant progress has been seen in both access to basic sanitation and reduction in open defecation (OD). Basic sanitation access increased significantly between 2017 and 2020 whilst rates of open defecation were similarly reduced in districts where the district-led Rural Sanitation Model and Strategy (RSMS) was implemented.

These interventions are, however, being implemented in less than half of the districts in the country. Nationwide coverage is required if the SDG 6.2 targets are to be met. Adequate funding for logistic support is the biggest challenge faced by Environmental Health and Community Development Officers promoting sanitation in rural areas of Ghana. Support is also required to build the capacity of artisans and to establish small businesses to deliver sanitation services at district level.