

Policy and Funding strategies to meet sanitation SDGs in Ghana

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Outline

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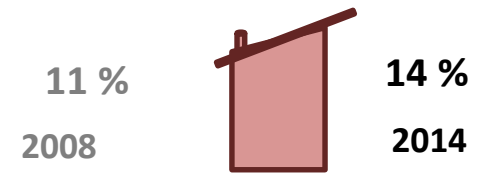


Introduction

- Ghana missed its MDGs target for sanitation 54%; 15%
- Reasons for low coverage
 - *financing and
 - *attitudes

Sanitation Situation in Ghana

- **1 in 7 households** have access to an **improved, not shared sanitation facility**

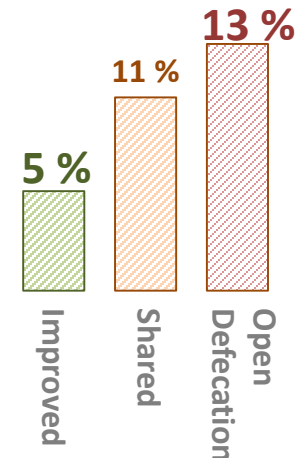


- **1 in 6 Households** practice **Open Defecation**. Minimal improvement has been achieved since 2008



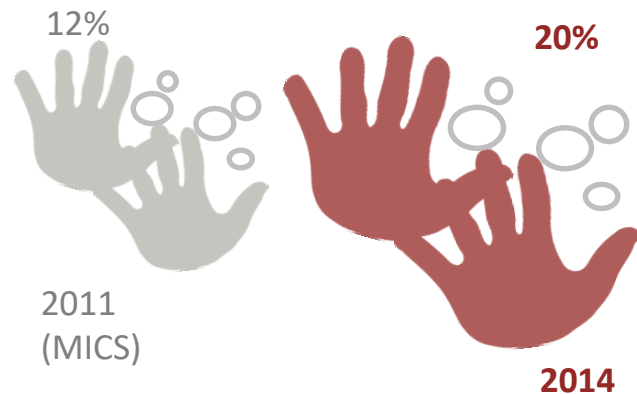
- **Implications:**

- **Households** with **Improved Sanitation** have **Child Diarrhoea Rates 58% lower** than those practicing **Open Defecation** and about **half** those using **Shared Facilities**



Hygiene Situation in Ghana

Only **One in Five** households have **Handwashing facilities**



95% of **girls** miss some school as a result of **MHM** challenges (Multi-Agency Report)





Lessons learnt

- Improving basic sanitation requires **multiple approaches not a single approach** -demand creation, supply technology and financing interventions and law enforcement are critical for success
- USD 383 M/yr for sanitation to meet SDG by 2030
 - USD 418 M for HHs and USD 57 for Govt (TOTAL) yearly
 - USD 325M from Government (Feacal Sludge Management)
- Subsidies undermines communities capacity to build their own latrine and not sustainable.
- Limit subsidies to most vulnerable.
- Delve more into whether affordability is limiting progress or it's an issue of prioritisation



What should be done differently?

- Money should not be used as a disincentive
- Latrines must not only be built, but used
- No creation of dependencies to affect overall development
- Ensure subsidy works for the poorest (not anybody at all)
- Introduce mechanisms to take care of complexities of environment
- Support Govt to acquire more public financing for Sanitation
- Interest rates for financing HHL must not be at commercial rates



CURRENT POLICY

- Existing Government policies
 - **The Rural Sanitation Model and Strategy (RSMS);**
 - **National Environmental Sanitation Strategy and Action Plan (NESSAP);**
 - **Strategic Environmental Sanitation Investment Plan (SESIP);**
 - **Options & Guidelines for Sanitation Financing**



OTHER ENBALING ENVIRONMENT

- Strong government and development partner support to build on the gains made in promoting installation of household latrines through the implementation of the RSMS.
- Ownership at the district level through the establishment of District Sanitation Fund that leverages on different resources.
- Support for the poorest by building on the mechanisms used for Livelihood Empowerment Against Poverty (LEAP)

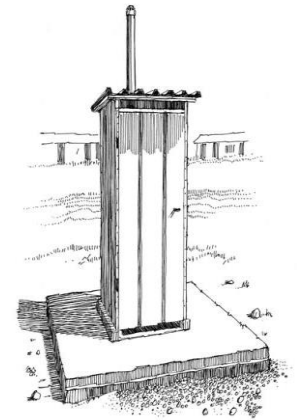
NEED FOR FINANCING

1.05 million ...households (**19.3%** of households) in Ghana are without household latrines.

844,126 ...households will need some form of financing to acquire household latrines based on 80% of those interviewed who said they cannot afford one-off payment.

GHS 3,787 (880 USD) ...is the average annual income of households interviewed (Sanitation Market Assessment).

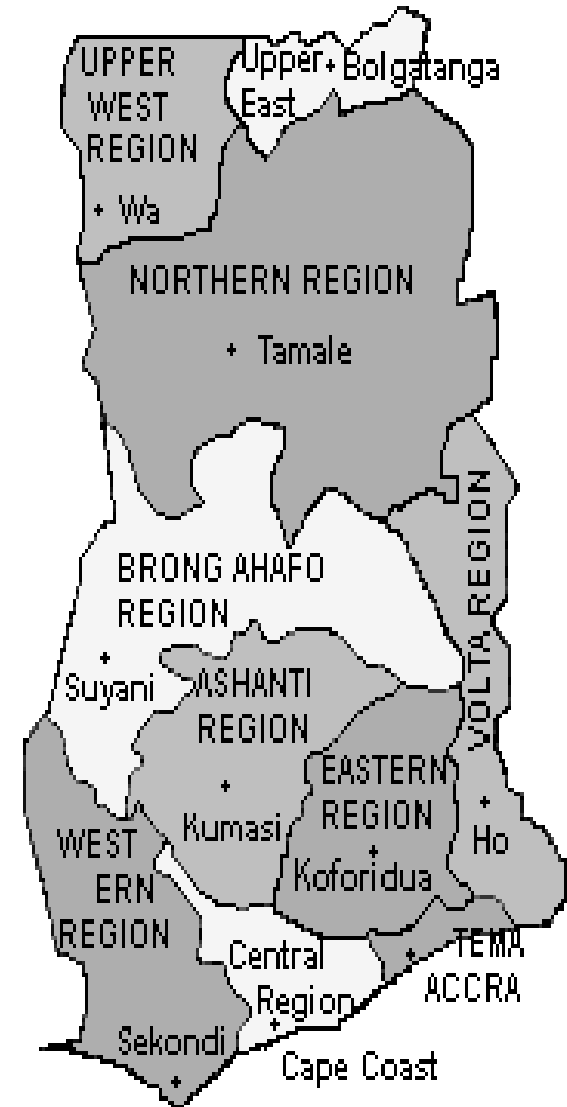
GHS422 million (98, 139, 535 USD) ...is the amount households in need of financing will require, on the assumption that a basic improved latrine costs **GHS500**.



Need for financing

NEED FOR FINANCING

- Almost half of Ghana's population remains without access to basic financial services (i.e. not even using informal financial mechanisms), particularly in rural areas and by women.
- If the financing challenge is not addressed, most households will not have access to safe, improved and durable household latrines and the fight to achieve ODF status by 2030 may never be fully realised. ?



Efforts to address the financing challenge would have to consider the following key factors:

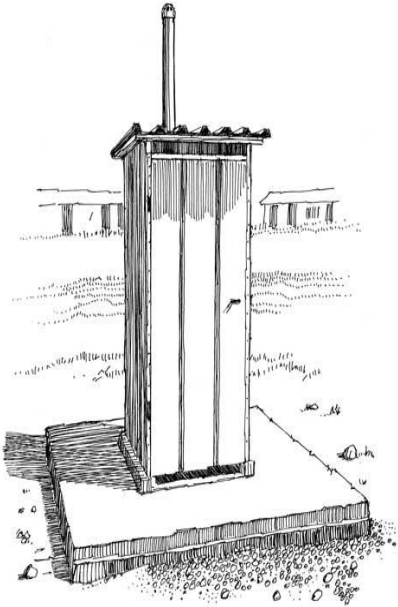
- There is need for **transparent** and **sustainable** source of **subsidies**;
- Money should not be used as a disincentive to the collective change. This is to ensure that we do not undermine what has been already achieved;
- There cannot be one solution, instead a basket of solutions;
- Need to maintain the **social** good over the **individual** good;
- Ensure that the **social norm change is not undermined**;

Efforts to address the financing challenge would have to consider the following key factors:

- Ensure there is no creation of **dependencies** that affect overall development;
- Ensure that the approach does not result in latrines being built but not used;
- Ensure that subsidies work for the poorest;
- Introduce mechanisms to handle complexities of the environment (unstable soils etc.) that impact on householder ability to build latrines;
- Support government to acquire more public financing for Sanitation.

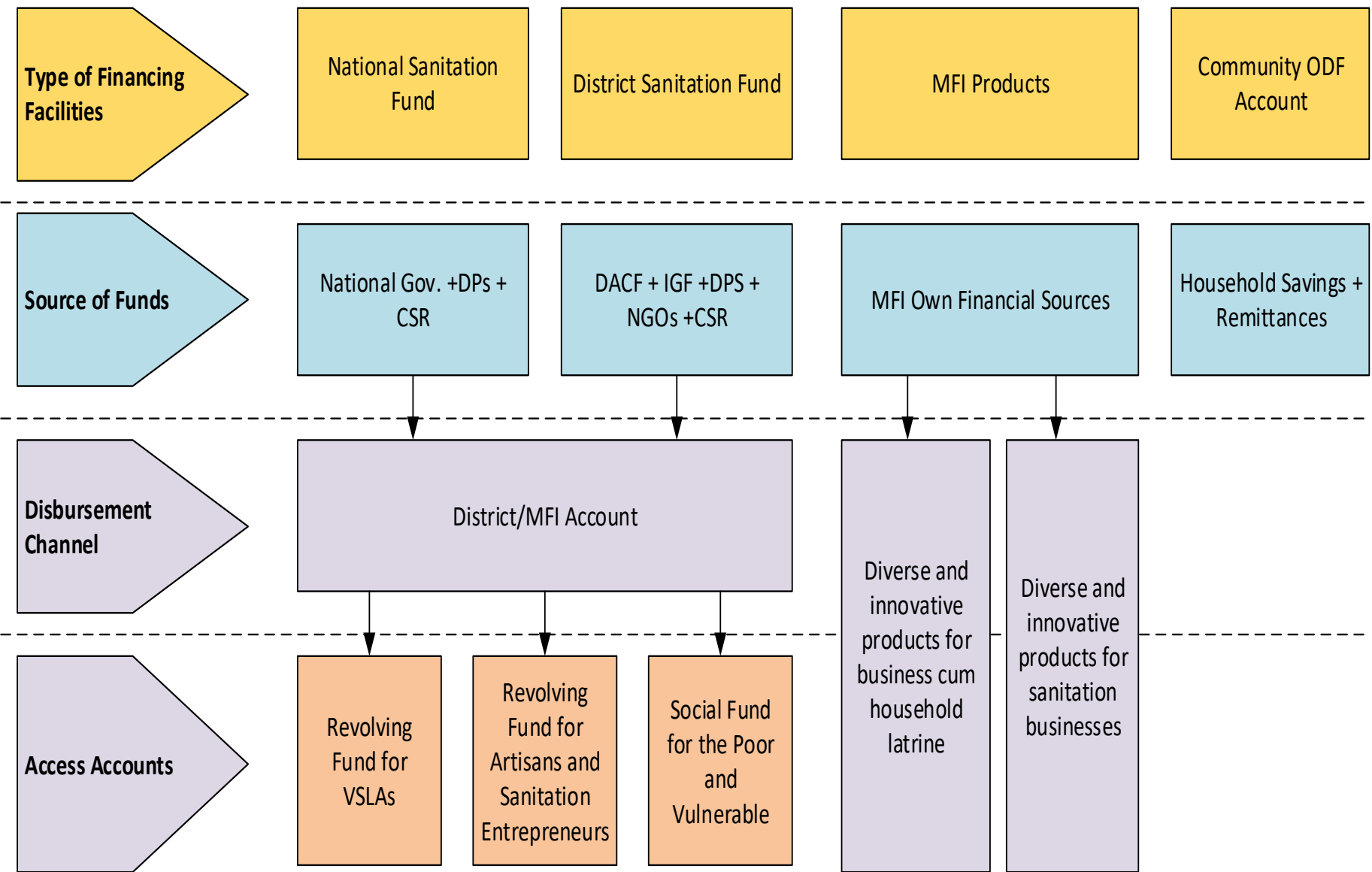
DEFINITION: SANITATION FINANCING

“Households having access to regular use of a range of formal and informal financial services including savings, credit, and remittances which meets their needs and are affordable for the acquisition and maintenance of improved, durable and safe latrines”



Households need to be enabled to make choices with respect to a mix of financing sources including personal savings, remittances, credit facilities and well-designed subsidy schemes that will facilitate the installation and maintenance of their preferred household latrines. ?

FRAMEWORK FOR FINANCING



FRAMEWORK FOR FINANCING

TYPES OF FINANCING FACILITIES	DESCRIPTION
National Sanitation Fund	A pool of funds that provides capital for establishment of a revolving fund for financial institutions that are interested in lending to households and artisans and serve as source for funding a proposed Social Fund targeted at qualifying poor and vulnerable households.
District Sanitation Fund	This financing facility will provide district specific attention to financing the acquisition/installation of latrines by households.
Community ODF Account	These are specialised financing facilities created at the community level to support sanitation financing.
MFI Products	Products developed by microfinance businesses targeted at sanitation financing.

FRAMEWORK FOR FINANCING

COMPONENTS OF THE FRAMEWORK	DESCRIPTION
Sources of Funds	Government funding, Development Partner funding, private sector funding mainly through their Corporate Social Responsibility (CSR) budget, the District Assemblies Common Fund (DACF), Internally Generated Fund (IGF) of the districts, Non-Governmental Organisations (NGOs) and loanable funds from the MFIs.
Distribution Channels	Distribution channels describe the available routes through which the funds will be sent to the respective access accounts. These are the district accounts and MFI accounts.
Access Accounts	The proposed access accounts are Revolving Fund for VSLAs; Revolving Fund for Artisans and Sanitation Entrepreneurs; Social Fund for the Poor and Vulnerable.

Innovations in Sanitation

- 1. Signing of Key Performance Indicators (KPIs) for sanitation by District Administrative Heads
- 2. Community Led Total Sanitation with sanitation marketing -savings groups
- 3. Social Norms Campaign / Sanitation Campaign
- 4. Using micro-financing for sanitation improvement
 - *SNV- Fidelity Bank lending
 - * Pay in monthly instalment for latrine (IDE)

Thank You
for your **Attention**

