



CASE STUDY

Ghana: Supporting Investment Planning for IWRM in the White Volta Basin

Global Water Partnership, in collaboration with Water Resources Commission prepared Integrated Water Resources Management investment plan for the White Volta Basin. The Investment planning process engaged public sector actors and civil society groups across Ghana. The support contributed to sensitizing stakeholders and deepening understanding of investment planning at basin scale.

Background

In recent times, water security has been one of the key issues confronting Ghana. As such, increasing investments for water security is key. The Water Climate and Development Programme in Africa (WACDEP) implemented by GWP from 2013 to 2019 in Ghana focused on investment planning for water security. At the conceptual stage, the investment plan targeted information management, institutional and infrastructure for water security. These types of investments are often characterized by no/low regret and contribute to resilience to climate change.

The Water, Climate and Development Program in Africa (WACDEP) is an initiative of the African Ministers' Council on Water (AMCOW), arising from the 2008 Sharm El Sheikh Declaration by African Heads of State that calls among others, to mainstream water security and climate resilient development into national development planning processes and ensure predictable financing. WACDEP was developed and implemented by the Global Water Partnership (GWP) in collaboration with other partners.

The WACDEP Reference Group at the global level visited Ghana in May 2014 invited by the WACDEP Technical Working Group (WACDEP TWG) to support discussions on the pathways for Investment Planning. The meeting enabled understanding of the enabling environment including institutions, strategies and plans, and defined entry points for investment planning in Ghana; these included investment plan for climate change policy, buffer zone policy or IWRM for a river basin. At the same time, the Water Resources Commission (WRC) was identified as the institution to lead the process and stakeholder engagement. Noting that the IWRM Plan for the White Volta Basin was due for review, the WACDEP TWG concluded on the interest of prioritizing the development of an investment plan for IWRM for the White Volta Basin. It was note-worthy that the National Climate Change Policy (NCCP) and Strategy, adopted in 2012 and 2013, provided clarity on the thematic areas to be considered such as water security and sustainable financing.

In August 2014, CWP-Ghana participated in the White Volta Basin Board (WVBB) Meeting. The opportunity afforded presentation of the investment plan preparation process for the White Volta Basin. The Basin Board members noted that the Basin IWRM Plan was due for

review for which WACDEP, in implementing the investment plan for the basin could incorporate its review. To this end, GWP and partners supported the Water Resources Commission/White Volta Basin Board and implemented the process to achieve the objective of the Investment Plan.

Actions taken

The support for investment planning for water security and climate resilient infrastructure (natural and built) began by defining a roadmap. The WACDEP Reference Group supported this effort, and outlined a series of steps/engagements, implemented the same for stakeholder buy-in. A stakeholder mapping analysis identified the relevant institutions to engage for the smooth implementation of roadmap. The WRC led the process of preparing the IWRM investment plan, liaising with the relevant ministries and agencies.

WRC organized a White Volta Basin Board Meeting in August 2014, where GWP presented Investment Plan preparation and update of the IWRM Plan. At the Board meeting, participants decided to establish a wider platform for consultations and follow-ups towards consolidating information and data exchange to enhance ownership of the Investment plan preparation process. Thus, the idea of setting up an investment forum was adopted. Taking a cue from the expansion of the CWP-Ghana Steering Committee to create the WACDEP Technical Working Group at national level, the WVBB was expanded to include other relevant institutions to form the Investment Forum. The Forum included water users, district assemblies (DAs), regulators, data generation, civil society organizations, traditional authorities and development partners.

A background technical report was prepared for the development of the investment plan. The report allowed for assessment of water resources, detailing the issues that confront the sub-sector in the White Volta Basin. A key reference used was the Strategic Environmental Assessment (SEA) tool developed in 2006 by government agencies for the water resources, environment and related sectors with focus on environmental sustainability. In addition, the weighting process was adapted, for which a complementary screening tool was developed and validated at the Investment Forum. This allowed for re-ranking the proposed actions/solutions.

The problems and defined optimal solutions formed the basis for the formulation of investment objectives for the Plan. The objectives were widely disseminated and inputs made for presentation and adoption by the Investment Forum. The objectives, among others, are:

- enhancing coordination, capacity and knowledge exchange for water resource development and management;
- improving knowledge on climate and integrated management of water resources for sustainable utilization;
- and creating climate resilient infrastructure for water resource development and management.

The cost of implementing the IWRM Investment Plan over a 20-year horizon (2015 – 2035) in the White Volta Basin was estimated and projected at 2.4 bln USD. This covers the costs of actions under the prioritized programs. Costing of programs/projects relied on allocation and disbursement data and investment trends for water resources at national and some specific basins and donor support.

There are three main sources of financing water resources and related infrastructure in Ghana:

1. public investment budget including Internally Generated Funds (IGF) and water abstraction fees,
2. bilateral and multilateral cooperation,
3. private sector financing.

Existing financing arrangements were analyzed in the context of strategies for promotion and implementation of the White Volta Basin Investment Plan, and based on three scenarios namely:

- The business-as-usual scenario provided a baseline for financing water security related projects in Ghana. Historic data shows that funding is donor driven. In the last decade, however, low interest loans had replaced grant donor support resulting in improved economic conditions;
- The realistic scenario looked at existing opportunities within the country and external sources to bridge the financing gap between the business-as-usual and the actual project cost/needs for the plan period;
- Thirdly, the optimistic scenario allowed for procurement of sufficient funds to implement the programs/projects.

Outcomes

GWP supported IWRM Investment planning in the White Volta Basin. Recognizing the novelty of such a process in the water resources sub-sector, expertise was drawn from GWP global network to elaborate roadmap for implementation. Strong stakeholder engagements afforded prioritization of actions and programs/projects to improve the socio-economic aspirations of populations. The contributions made by actors at the investment Forum was healthy and at the same time, afforded learning. A financing strategy identified some approaches to raise funds to implement projects that enhance water security and resilience development. The experience of IWRM investment planning in the White Volta basin offers opportunities for replication in other basins in the country.

The development of an IWRM Investment Plan for the White Volta Basin was successfully brought to fruition. Related results include the following:

- Establishment of Investment forum platform of stakeholders to validate reports and deliberate on issues.
- White Volta Basin IWRM Investment Plan.
- A validated Technical Background Report on water resources.
- A validated Investment Priorities Report.
- A validated financing strategy report. The experience acquired from the IWRM investment planning process in the White Volta helps to undertake similar actions in other basins in the future.

As part of efforts to implement the IWRM Investment Plan for the White Volta Basin, WRC is continues to explore opportunities in government financing arrangements and collaboration with development partners (f.e. Greater Accra Resilient and Integrated Development Project; Ghana Shea Landscape Emission Reductions Project; Blue Deal - White Volta & Volta Delta project).

Lessons Learned

A programmatic approach for IWRM investments has been tested and adjudged viable by stakeholders in the White Volta Basin. Thus, soft aspects of the Plan including governance and effective information exchange should be implemented towards enhanced awareness creation before the hard aspect of infrastructure (natural and built) is introduced.

The close collaboration with WRC/WVBS and Basin Board members was key to foster understanding of the process by the major actors that has led to the Investment Plan. The scale of economic analysis (including cost and benefits) of programs/projects outlined in the IWRM investment Plan provides preliminary consideration for further in-depth appraisal.

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Related IWRM Tools

Strategic Environmental Assessment

Strategic Financial Planning

Generating Basic Revenues for Water

Repayable sources of finance for water

Source
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