Exploring financial and performance-based funding to improve piped water supply in rural Ghana.

The Enhancing WASH (EnWASH) program seeks to support consortium partners and Ghana’s WASH sector at large, to implement evidence-based activities that can extend the coverage of sustainable WASH services. One element of the EnWASH research agenda is to fill knowledge gaps related to the economics of rural water supply and the required investments to improve service delivery.

Problem

Limited planning and financing for the ongoing operation and maintenance (O&M) of rural water systems leaves many communities with inadequate access to safe water. For example, in rural Ghana, piped water systems often supply water intermittently and without consistent treatment.

Research

Can benchmarking and performance-based funding improve financial management and operation and maintenance of rural water systems?

Methods

1. Monthly financial performance monitoring and benchmarking by conducting a retrospective financial analysis at up to 54 public and private water systems.
   - Revenue collection efficiency
   - Operating cost recovery
   - Cost-effectiveness

2. Pilot monthly performance monitoring, benchmarking, and performance-based funding at up to 40 public water systems.
   Do the following factors promote performance improvements?
   - External reporting
   - Access to performance indicators data
   - Stimulation from comparing performance and competing for rewards
   - Peer learning
   - Financial incentives

3. Pilot a performance-based funding model in 20 public water systems.

Impact

- Identify baseline financial performance
- Pilot mechanisms to improve financial performance
- Improve quality of services
- Improve public health and community outcomes

Data collection
Water system: Financials | Staff knowledge, attitude and practices

1 year Intervention
Monthly financial performance monitoring

Data collection
Water system: Financials | Staff knowledge, attitude and practices

1 year Intervention
Quarterly performance-based payments from Aquaya to water systems

Data collection
Water system: Financials | Staff knowledge, attitude and practices