A census carried out early this year is expected to push Ghana's population upward from the present 18 million to anything beyond 20 million. While population increase is not specific to Ghana, it is worrying and plans are ongoing to put in place mechanisms to mitigate the effects of the up-surge especially in relation to water, sanitation and waste management. Accra, the capital city of Ghana alone, requires 110 million gallons of water per day compared to the 70 million gallons available. Players in the water and sanitation sector are already working to address the 36% shortfall even as census figures are re-calculated.

With a GDP per capita of about US$400, Ghana is comparatively wealthy viewed against other African countries. However, in purchasing parity, a recent annual United Nations Human Development report states that this is equivalent to about US$2,800, almost half of what is expected to afford every Ghanaian a decent living standard.

International donors, including the World Bank and the International Monetary Fund (IMF) often cite Ghana, as an example of a country that has successfully privatised. Prior to 1986, the country went through severe economic decline which necessitated the formulation and implementation of Economic Recovery Programme (ERP).

The water sector, therefore, is just one of several other sectors which have had to diversify. Rural bore holes and surface urban water supply have been de-linked and a community sanitation division created to address consumer demands for water in rural areas. Now residents of rural areas will be served by the Community Water and Sanitation Agency, a government body set up to assist local administrations and communities to manage their water systems. Some 6,600 communities and 410 schools are now receiving water regularly through this new arrangement. Previously, serious attention was not given to issues relating to rural water services.

"The overall micro and macro-economic indicators since the launching of the ERP have shown positive growth despite harsh external trade practices which impede progress and is presently making growth sustainability difficult," says Honourable Franklin Aheto, Member of Parliament for Ashaiman Constituency in Tema, Accra. He adds that in the water sector particularly, the provision of good drinking water and safe sanitation is a major social and health objective of the Ghanaian government.

However, many other countries in Africa today are at crossroads, many of them suspicious and unsure about privatisation. Some have dismissed the concept terming it imposition of neo-colonialism. The legislator disagrees.

"We must be bold now and take some of these decisions. In the long run, we shall see the benefits. It is for us to formulate and enforce efficient legislative and regulatory measures that will ensure the system runs efficiently in order for our people to get good service," he says. He laments that some of the anti-privatisation sentiments are based on fear that it will affect tariffs thus making governments unpopular. He, however, argues that some of those concerns can be addressed by carefully choosing suitable contractual arrangements which do not sideline the governments or local interests.

"Both the opposition and the government sides are united on issues of water," says the soft-spoken youthful MP who is also the Chairman of the Select Committee on Works and housing. He further notes that initial sensitisation of rural communities in general has helped them appreciate why they must contribute at least 5% of the total capital cost of the service being provided to them.

"With time, we have regarded water as a social commodity or a gift which without attaching any economic value to it. This view must change and issues of water completely de-linked from politics so that our people can receive service."
Hon. Aheto further decried the "politicisation" of water so that policies affecting the sector are drawn based on realities on the ground and not on politics. "Even though some people use water as a campaign tool, no one MP can bring water to his or her constituency alone. We must speak according to the realities on the ground," he says.

He also challenged fellow legislators to actively participate in for at which such important matters are discussed in order to develop informed opinion regarding issues of national importance. Mr. Aheto however cautions against hasty privatisation as it is very important to get the initial stages right. It took Ghana three years to do the groundwork before the first stage of actual implementation was put in place.

He observes that at the start of implementing the ERP, the then Ghanaian Water and Sewerage Corporation (GWSC) which was created by an act of parliament (ACT 30) in September 1965 was in charge of both rural and urban water supply.

"Prior to the incorporation of the GWSC, the Water Supply Division of the Ministry of Works and housing provided drinking water for urban and rural areas of Ghana. The division was created in 1958 by a merger of a branch of the Public Works Department and the Department of Rural Water Development.

Under the new set up, the GWSC then was mandated to provide, distribute and conserve the supply of water and sewerage services for domestic, commercial industrial purposes throughout Ghana. An Act of incorporation required the GWSC to operate like a public utility enterprise, with government being responsible for investments and also meeting the shortfalls for operation expenses. Due to the economic decline in the country before the ERP, the corporation neither had investment funds nor subsidies for operation and maintenance.

Result? General breakdown of the water supply system, inability to undertake rehabilitation or source expansion, weak and inadequate organizational structure and neglect of rural water situation.

To address the deteriorating situation, the Government:
- Restructured the GWSC to enable it upgrade its commercial operations, improve conditions of service, and eliminate redundant staff;
- Withdrew subsidies and increased tariffs to enable the corporation to take full responsibility for operations and maintenance and generate funds to partly finance the cost of rehabilitation and new projects
- Sought loans and grants from the World Bank and other external agencies and donors to finance the sector.

Full cost recovery has become necessary if satisfactory service delivery is to be sustained. This is especially with respect to urban water supplies. In order to protect consumers, the Public Utilities Regulatory Commission was established in 1997 to provide regulatory functions in the sector. There is also an Environmental Protection Agency which controls pollution.

The first major initiative was to source funding for the rehabilitation and expansion of 33 existing water supply systems in 8 regions covering a population of about 3.2 million people. That phase was completed in 1997. Then a strategic investment program was undertaken to fully assess water supply needs in all urban centres if full coverage was to be ensured through to the year 2020.

This phase has also been completed and about US$1.6 billion will be required to effectively finance the necessary development in the sector.

What is ongoing is the process of urban water sector restructuring with full involvement of the private sector in urban water delivery. After a thorough study of restructuring options, a national conference decided to lease 96 existing water systems countrywide to two private operators in two business packages.

Due to the precarious water supply situation facing the capital city, Accra, one Business Unit is to be further modified to include BOOT arrangement to ensure immediate expansion of
treatment and transmission facilities that serve the Accra-Tema Metropolitan Area. The GWCL is to be transformed into an asset-holding company, continuing with the responsibility of providing infrastructure to the sector and maintaining the assets leased to the private operators.

The CWSA is facilitating access to rural water supply based on demand. The strategy is to fully involve communities by having them contribute 5% of capital of installations as well as involving them in selection of appropriate water systems which they then own, operate and manage.

Phase one of the community water supply and sanitation project which started in 1993 was completed last year and the second phase started this year. The project is targeting up to 80% coverage for the rural area the year 2004.

Ghana's Vision for 2020 is to attain 100% coverage in all urban areas and over 90% coverage in rural areas. A national water supply and sanitation survey conducted in 1993 showed that about 76% of the urban population had access to potable water while about 61% to safe and adequate sanitation. In the rural areas, the survey showed that only about 46% of the population were served with potable water while sanitation was around the 11% mark.

But before that is achieved, Ghana will have to meet the challenges that her privatisation has brought on board. There aren't adequate funds to further develop and maintain the systems, for example and cost-recovery mechanisms due to low levels of tariffs are still lacking. In the Urban areas, the projected economic tariff for full cost recovery is about US$0.70 per cubic metre while the current average price is just about US$0.30/m³.

Managing the sector needs further improvement. For example in the urban sector, the level of non-revenue water is about 55%, a lot higher than should be. Better co-ordination and supervision of players in the sector needs to be further reinforced.

Experts in the sector emphasise the need for coordination between developers, planners and utilities so as to ensure that WSS issues are correctly handled right from the start. As in any other places, often the Local Authorities, City or Municipal Councils which are the default regulators of the sector are often ill-equipped to coordinate - and in some cases to enforce - the activities of the various actors. The result is mushrooming of unplanned, unserviced and often, unrecognized settlements which later become an eyesore to the same authorities.

Mr. Kwabena S. Manu, a consultant of repute in the sector supports this view. However, he acknowledges the sensitivity that goes with privatisation and underscores that the guiding principle should be to address the interest of consumers and providers alike. He argues that as a concept privatisation should not be condemned wholesome. Rather, governments should provide checks and balances which will level the playing field for the various actors.

Both Mr. Aheto and Mr. Manu agree that there is need for political goodwill and commitment from policy makers for such programmes to take off. Three years down the line, ordinary Ghanaians will begin to rip dividends. So far, a good process towards private involvement has been followed. Attitudes are changing, more and more people are willing to pay for better services as surveys have indicated. Ghana is now in Phase two of implementing its water privatisation programme, and is close to awarding contracts.

Both were speaking at a conference which was held from 19 - 22 June in Nairobi Kenya. The Conference was officially opened by the Permanent Secretary in Kenya's the Ministry of Water Development, Mr Mohammed Isakhia. The theme of the workshop was - Improving Water Supply and Sanitation Service Delivery to the Urban Poor. Some of the independent operators in Ghana, including water vendors, shared some of their experiences at the workshop which brought together over 80 participants from 19 countries of Africa, Europe and Asia.

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