

# Ghana

Civil society organisation involvement in urban water sector reform





*Many of the urban poor pay private vendors inflated prices for water, which often comes from contaminated sources.*

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Photos: WaterAid/Jon Spaul

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This is one of a series of nine case studies outlining civil society organisations' (CSOs) involvement in urban water sector reform. The other case studies cover the following locations:

- **Bangladesh (Dhaka)**
- **Brazil (Recife) and Venezuela (Caracas)**
- **Kenya (Kisumu, Nairobi and Mombasa)**
- **Nepal (Kathmandu)**
- **Pakistan (Karachi)**
- **Philippines (Manila)**
- **Uganda (Kampala)**
- **Ukraine**

The case studies accompany the guidance manual ***Our water, our waste, our town***, which offers support to civil society in engaging in urban water and sanitation reforms.

The manual and case studies can all be downloaded at:  
[www.wateraid.org/urbanreform](http://www.wateraid.org/urbanreform)



WaterAid's mission is to overcome poverty by enabling the world's poorest people to gain access to safe water, sanitation and hygiene education.

# Section one:

## Background and problem

### Background

Over the years, Ghana's water supply systems have faced various challenges. During the 1970s and early 1980s, a period of economic crisis, few of the of country's 208 water supply systems worked well. A third of them broke down completely.

The Ghana Water and Sewerage Corporation (GWSC) operated and managed both the urban and rural water supply systems. The company was unable to make adequate investments in the water supply system to expand its coverage and make repairs. They had to cater for population growth and increased urban sprawl at a time when the value of the Ghanaian currency in the international market had fallen.

The Government of Ghana has made several attempts to improve the country's water supply system, using funding from the World Bank and other international financial institutions (IFIs). The biggest of these, from 1990 to 1997, was the Water Sector Rehabilitation Project (WSRP). This \$140 million plan, mostly funded by the World Bank, aimed to repair, renew and expand the water system.

This intervention did improve things – but not consistently. A total of 70 water systems, which had virtually

broken down, were repaired. But, overall, efficiency of the sector did not increase and stayed at around 40%, while the utility's debt rose to about \$367 million.

In 1994, GWSC's work was split: rural water supply and sanitation became the responsibility of the Community Water and Sanitation Agency (CWSA) while the Ghana Water Company Limited (GWCL) took on urban water supply services.

In 1995, the Government of Ghana stepped in again with the aim of reforming the urban water sector. The reform was part of the World Bank's latest Country Assistance Strategy (CAS), a document prepared every three to five years that outlines the World Bank's plans for working with a country based on an assessment of its development priorities.

Government discussions with the World Bank identified the lease of the public utility as the preferred option. The aim was to privatise the water system by awarding a 10-year lease of the operations of GWCL. A total of 74 urban water systems across the country were identified for lease to two private sector water companies.

In 1997, the Government's Water Sector Restructuring Project Secretariat (WSRPS) was given the

responsibility of recruiting private sector managers for GWCL within two years. This mandate limited WSRPS to a private sector participation (PSP) lease option management model.

Three years later, in 2000, the Government of Ghana and the World Bank agreed to fast track this reform process, a decision that infuriated CSOs.

### The problem

CSOs accused the Government of insufficient consultation on the urban water reform process. They said that fast-tracking the process would not give them the opportunity to make suggestions and express opinions.

*Open wells are common where water services are inadequate. They can easily become contaminated with water-related diseases, which spread quickly in dense, urban areas.*

CSOs also accused the Government of not having provided an alternative to privatisation in the reform proposal. The most serious problem presented by CSOs was that the reform proposal had no guarantee of universal access to water for the poor.

### Private Sector Participation (PSP)

In the water sector PSP involves a private company being contracted to manage a public utility water system. The private company might be given various responsibilities – for example, billing, leak detection, design or construction – under different forms of contracts.



## Section two: What CSOs have done

### Working with stakeholders

In 1999, WSRPS, supported by DFID, commissioned the Integrated Social Development Centre (ISODEC), a prominent NGO in Ghana, to carry out a social mapping exercise in Kumasi to determine the people's willingness and ability to pay for water.

In its report to WSRPS, ISODEC recommended that more information about the roles and limitations of PSP was required to ease fears, promote cooperation and open up dialogue. ISODEC also recommended that the private sector would need to develop a feedback system so consumers, especially poor communities, could have their say.

ISODEC commissioned independent studies into alternatives to privatisa-

tion based on existing community water management systems.

### Working together

In 1999, at the separation of rural and urban water functions into two agencies, a collection of CSOs, known as the Coalition of NGOs in Water and Sanitation (CONIWAS), monitored and evaluated the operations of CWSA (the new agency responsible for rural water services). But when the Government decided they wanted to use a PSP management model for GWCL (the new urban water agency), CONIWAS joined forces with ISODEC to campaign against the privatisation process.

In May 2001, ISODEC organised a two-day 'Stakeholders Forum on

*Children collecting water from a reservoir in the city of Tamale, Ghana.*



Urban Water’ with a focus on the then ongoing privatisation processes. The forum was attended by government representatives, GWCL and the World Bank, as well as a number of CSOs. At the end of the Forum, CSOs put together a written anti-privatisation document called the *Accra Declaration on the Right to Water*, which established the Ghana National Coalition Against Privatisation (NCAP) of Water. The coalition launched a campaign against PSP in the reforms and the document was endorsed by 28 CSOs.

*calling for an alternative approach to the Water Sector Reform.* A total of 26 CSOs contributed to the 15-page document, which outlined, in direct terms, their grievances with the reform plan.

### Coordinating an international campaign

NCAP launched an international campaign against the privatisation of the water sector in Ghana. The Trade Union Congress (TUC) became the official mouthpiece for the campaign and ISODEC took on a coordinating role at the launch of the NCAP in 2001.

*Time spent collecting water keeps women away from other vital work.*

### Formal advocacy

In May 2002, NCAP published a formal document called *Memorandum to the Government of Ghana: Why we are*



## Section three: Challenges and outcomes

### Challenges

ISODEC's studies concluded that to resolve the problems of GWCL, the Government should provide the utility with adequate funds to invest in infrastructure and restructure the management. However, a condition of the World Bank's loan was that it was only willing to provide support if a private operator was brought in.

Dialogue and debate became very bitter between WSRPS and NCAP, with NCAP ignoring invitations to take part in discussions with the Government. ISODEC, meanwhile, felt the only way to get information from the Government was to provoke officials by asking them to deny or confirm details they uncovered.

There were differences of opinion between CSOs too. The Public Utilities Workers Union (PUWU), a member of the TUC, opted out of the NCAP-led international campaign against privatisation in favour of working to ensure utility workers would not lose out from the reforms. Indeed, PUWU sat on WSRPS's water advisory committee. This position attracted scrutiny from local and international mainstream anti-privatisation groups and trade associations.

### Outcomes

In 2003/4 the Government of Ghana and the World Bank reviewed the initial reform proposal and decided to pursue a management contract for GWCL. A five-year contract management option was chosen instead of the earlier proposed 10-year lease contract.

Bids were invited in 2005. At the end of the bidding process, GWCL named Aqua Vittens Rand Water Services BV (jointly owned by South Africa's Rand Water Services and Holland's Vittens) as the successful bidder. In November 2005, the company signed a five-year management contract, funded through a \$120 million grant from the World Bank.

The contract included several clauses requested by NCAP, as listed in the box on the next page.

There are also indications that the new operator is willing to work with others to supply water to poor communities. This presents an opportunity for CSOs to bring their expertise in rural and small towns' water supply into the urban sector.

However, no official copy of the contract document is available to the public, and this is an urgent advocacy issue. The Government needs to let CSOs know what standards the

operator is being measured against and what targets it has set, even if

other aspects of the contract are kept confidential.

## The management contract specifies:

1. That the company needs to install 50,000 new water connections, the majority targeted at low income households.
2. Specific performance indicators so GWCL can determine whether penalties or bonuses are due to the operator for its services. As a result of CSO involvement in the reforms, the performance standards have been improved, and GWCL now consult CONIWAS on major decisions.
3. Pro-poor measures such as a review of existing water tariff bands by the Public Utilities Regulatory Commission (PURC) – an agency set up in 1994 as part of the restructuring of GWSC. This point was included as a result of issues raised by CSOs. PURC is also developing pro-poor pilot schemes to demonstrate ways to improve water access for the poor and is expected to work with CSOs to establish a mechanism for involving communities in tariff setting. PURC plans to consult with CSOs through means including public hearings with the utility, government agencies, CSOs and consumers.
4. An allocation of \$1 million for utility staff training and skills transfer and \$5 million for the repair of facilities and networks, both issues CSOs campaigned on.
5. The establishment of a communication unit to coordinate stakeholder consultation, including public polls on consumer satisfaction with the operator. Again, this was something CSOs requested.

## Section four: Lessons learnt and top tips

### Lessons learnt

CSOs do not see the new management contract structure as a failure of the NCAP campaign. They believe that NCAP forced the Government of Ghana to choose a better alternative.

Importantly, the World Bank converted its \$120 million loan to a grant. CSOs, therefore, learnt that compromises were necessary to move on from the stalemate they were at before.

However, CSOs did not stop PSP being chosen as a management model for the urban water system in Ghana. This is partly because NCAP failed to change strategically with time. NCAP did not want to compromise but, in the end, that was what was achieved. Eight variants of private management options were being considered for the utility during the negotiations. NCAP did not consider any of them suitable at that time.

Several members of the NCAP-led campaign who did not agree with its proposals withdrew from the group because there was no system in place to tackle internal conflict. And when there was external conflict, with government spokespeople and the World Bank, CSOs did not work to resolve the problems. They ignored them and so NCAP was not invited to attend World Bank meetings.

The formation of NCAP, however, did provide the Government of Ghana and the World Bank with a platform for formal discussions with those who opposed privatisation of water services.

*The management contract for urban water services requires 50,000 new water connections.*



NCAP's online petition, signed by people in Europe and America, forced the Ministry of Finance to close down its email system twice and the World Bank to initiate discussions with the

coalition. NCAP's support made the campaign more robust in its analysis and presentation of arguments, further increasing global support for the campaign.

## Top tips

1. **Become experts in urban water sector reform.** Do your research. Know your facts and have evidence of what you think works well at your fingertips when engaging in formal discussions. This was a major strength for NCAP.
2. **Have a Plan B.** Lacking an alternative plan was a major weakness of NCAP. It was limited in options and was therefore easy to ignore. Be ready for the most undesired outcome to happen with an alternative plan.
3. **Learn to tolerate diverse opinions within your CSO network.** Manage differences by agreeing to disagree and continuing dialogue.
4. **Build bridges with external bodies.** Public policy issues are now part of the global compact. Governments respond to international advocacy and pressures. CSOs also derive numerous benefits, including knowledge, from working with others.
5. **Work to gain the backing of the people you are representing** and make sure they understand the issues as much as you do.
6. When campaigning collectively with other CSOs, **decide upon a lead organisation** that is committed to and passionate about the cause and motivates others to join in.
7. **Don't be afraid of criticism.** Public policy issues are by nature political and ideological.
8. **Be wary of the negative impact of success.** One member of NCAP was recognised and received an international prize in the sum of \$125,000 in 2002 for leading the coalition's anti-privatisation campaign even though it was a collective effort. This did not help group morale.

This case study outlines how civil society organisations involved in the Ghana National Coalition Against Privatisation (NCAP) influenced the Government of Ghana and the World Bank in their implementation of urban water reform. The contract for the management of urban water services, signed with Aqua Vittens Rand Water Services BV in November 2005, contains several points advocated for by NCAP.

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