



OVERVIEW OF THE WATER SECTOR IN GHANA: POLICIES, INSTITUTIONAL ROLES AND KEY ISSUES FOR UTILITY SERVICES DELIVERER

PRESENTED BY:

ERIC OBUTEY

PUBLIC UTILITIES REGULATORY COMMISSION,
GHANA





OUTLINE

- ò Country overview
- ò Overview of the Water Sector
- ò Institutional framework for Water Sector
- ò National Development Goals
- ò Broad principles informing National Water Policy
- ò National Water Policy (draft)
- ò Challenges

COUNTRY OVERVIEW

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COUNTRY OVERVIEW CONT



Total area	238,540 km ²
Population	22 million
Rural/urban population	57:43
Life expectancy	56 years
GDP per capita	US\$400
Human Dev. Index	0.567, 129th
Population growth rate	1.55%
Urban growth rate	3.56%
Urban water coverage	58% (down from 1990 72%)
Rural/Small Town water coverage	53%

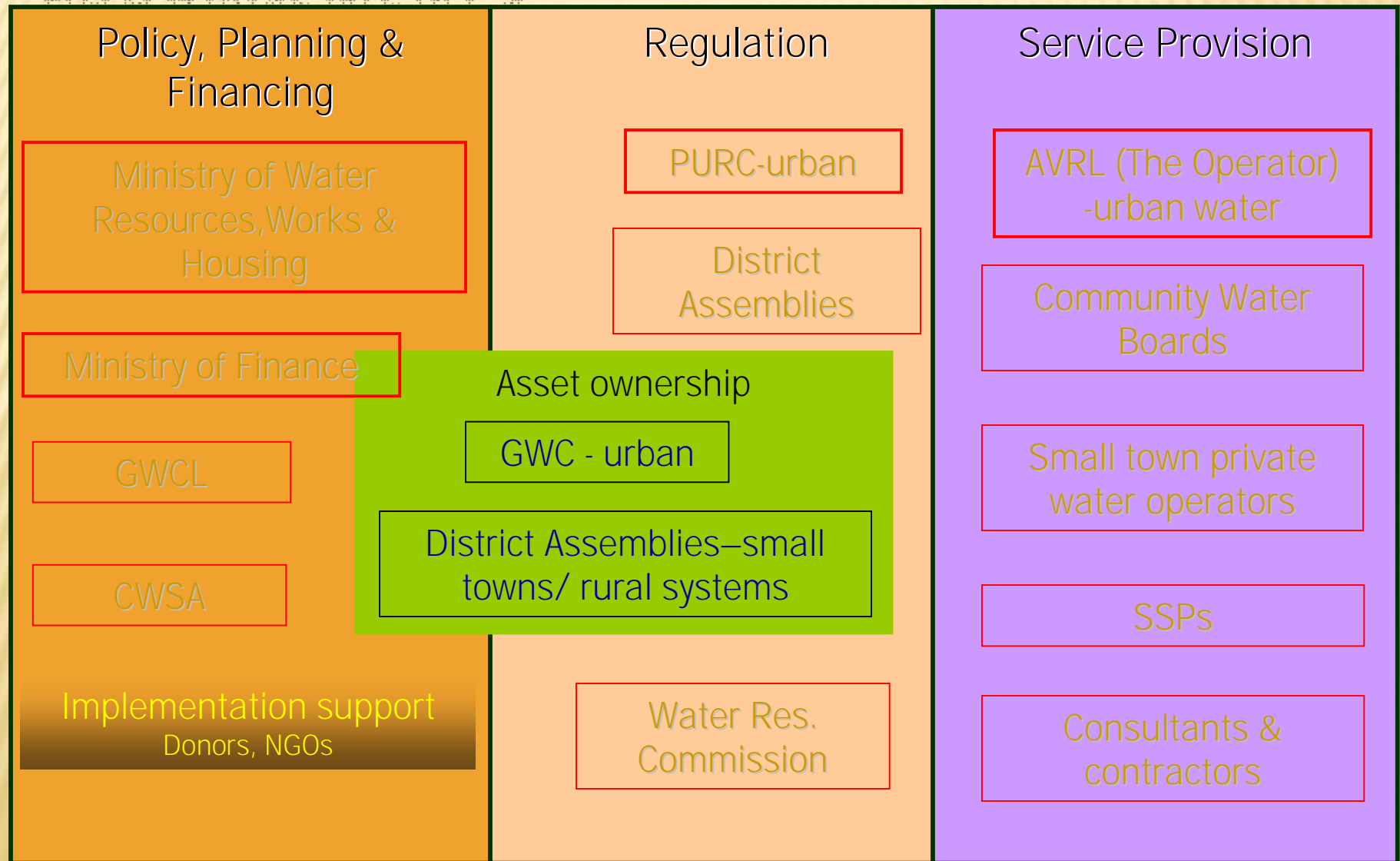


OVERVIEW OF THE WATER SECTOR

- ò Institutional arrangements
 - É Policy, planning, financing
 - É Regulation
 - É Service provision
- ò Water supply management arrangements
- ò Service provision indicators
- ò Regulation



WATER SECTOR INSTITUTIONAL ARRANGEMENTS





WATER SUPPLY MANAGEMENT ARRANGEMENTS

- ò Urban water supply is managed by the publicly-owned utility – Ghana Water Company Ltd.
 - É Operations now ceded to Management Operator (AVRL) who manages operations on behalf of (GWCL).
 - É GWCL asset owner and responsible for planning & investment in urban water facilities
 - É operates 87 systems across the country
 - É present in all 10 regions.
 - É Population under its coverage area around 8 million.
 - É GWCL is subject to regulation from PURC.
- ò Rural and small town water facilities are community-managed, through WATSANs (rural) and Water Boards (small towns). These are subject to regulation from the District Assemblies



SERVICE PROVISION INDICATORS (2006)

Indicator	
Number of Billed Customers	364,000
Employee/1000 billed customers	7.8
Non –Revenue Water	48.8%
Total water produced	211.7Mm ³
Average Daily Production	580,000 m ³
Effective metering ratio	47%
Collection ratio	79.2%



REGULATIONS

- ò PURC has produced 3 regulations since inception.
 - É L.I 1651 Termination of Service Regulation sets out the circumstances under which provision of utility services to consumers may be terminated
 - É L.I 1665 Complaints Procedure specifies the procedures under which any person/organization may lodge a complaint with the Commission
 - É L.I 1704A establishes the Consumer Service Committees in the districts



REGULATIONS CONT

- ò Commission has also published to 2 important Policy Documents
 - É Social Policy Document for Water Regulations
 - É Urban Water Tariff Policy Document
- ò Tankering Guidelines to guide the operations of tanker services is also being developed
- ò Development of Drinking Water Safety Plans
- ò Publications of periodic reviews of Utility
- ò Embarking on Pro Poor Pilot projects



National Development Goals – GPRS II

Strategies to accelerate water delivery in urban areas (2006-2009)

- ò Establish regional offices of the PURC
- ò mobilisation of new investments for urban water systems
- ò Extend distribution networks, especially to the poor
- ò Strengthen the management of Ghana Water Company Limited



National Development Goals - 2

- ò assessment of lifeline tariff for poor urban households
- ò Provision of standpipes for the poor
- ò Support the introduction of private sector into the management and operation of urban water systems

Earlier GPRS (2003-2006)

- ò transitional programme drawn up by PURC to bring tariffs to cost recovery levels to make the operations of urban water systems sustainable
- ò direct state interventions in areas where there is a marked gap in service delivery



National Water Policy- Broad Principles

- ò the principle of fundamental human right of all people without discrimination to safe and adequate water to meet basic human needs,
- ò the principle of recognising water as a finite and vulnerable resource, given its multiple uses,
- ò the principle of solidarity, expressing profound human companionship for common problems related to water, and
- ò the principle of meeting social needs for water as a priority, while recognising the economic value of water and the goods and services it provides.



NWP – Sub-sector Objectives

- ò Water Resources Management
- ò provides the broad framework from which the two sub-sectors of urban and rural drinking water supply take their legitimacy
- ò The key policy objectives for WRM are to:
 - ê achieve sustainable management and ensure sustainable exploitation
 - ê utilisation and management, while maintaining biodiversity and the quality of the environment for future generations.



NWP – Sub-sector Objectives II

- ò Urban Water Supply
- ò The main objective of urban water supply is to improve access in a sector which faces many challenges.
- ò These challenges include:
 - ê the urgent need for improved management in operations
 - ê low service quality and tariffs not linked to levels of service



NWP – Sub-sector Objectives III

ò Challenges cont'd

- É difficulty in setting tariffs to recover costs in view of high levels wastage – non-revenue water (NRW)
- É inadequate revenue and investment, in large part the result of over-aged facilities and
- É the urgent need to develop appropriate innovations to serve the urban poor, who suffer the greatest burden of the utility's failings.



NWP – Sub-sector Objectives IV

- ò Rural/Small town Water Supply
- ò The overall objective of the NCWSP is to improve the public health and economic well being of rural and small town communities through water, sanitation and hygiene education interventions.
- ò The specific objectives include:
 - Ê Provision of basic water and sanitation services for communities that will contribute towards the capital cost, and ensure payment for normal O&M, mindful of the need to ensure affordability, equity and fairness for the poor and vulnerable



NWP – Sub-sector Objectives V

- ò Rural objectives –cont'd
- ò ensure sustainability through effective community ownership and management (COM) of facilities, active participation of women
- ò public sector facilitation and private sector provision of goods and services, and
- ò maximise health benefits through integration of water, sanitation and hygiene education interventions.



Key Issues in draft NWP

- ò Improved management:
The policy recognizes various forms of participation and proposes to create an enabling environment to allow the private sector to effectively participate.
- ò full cost recovery:
This is a means of achieving financial sustainability; however the document is mindful of the need to apply cross-subsidies and design interventions to suit the supply and payment choices of the *poor*.



Key Issues in draft NWP II

- ò equity:
equitable amount of investment resources shall be dedicated to extending services to *low-income communities*.
- ò secondary and tertiary providers
importance in the water supply chain is recognised by the draft policy and no exclusivity is conferred on the main utility



Key Issues in draft NWP III

- ò Interface between urban and rural water supply:
Provision is made to remove any divide between urban and rural water supply through ensuring:
 - É Adequate consultations between planning departments of GWCL and CWSA
 - É Bulk supply arrangements between GWCL and communities



Investment Requirements

ò Urban

É Estimated \$820million to meet 2015 targets -
\$85m/year

ò Rural/Small towns

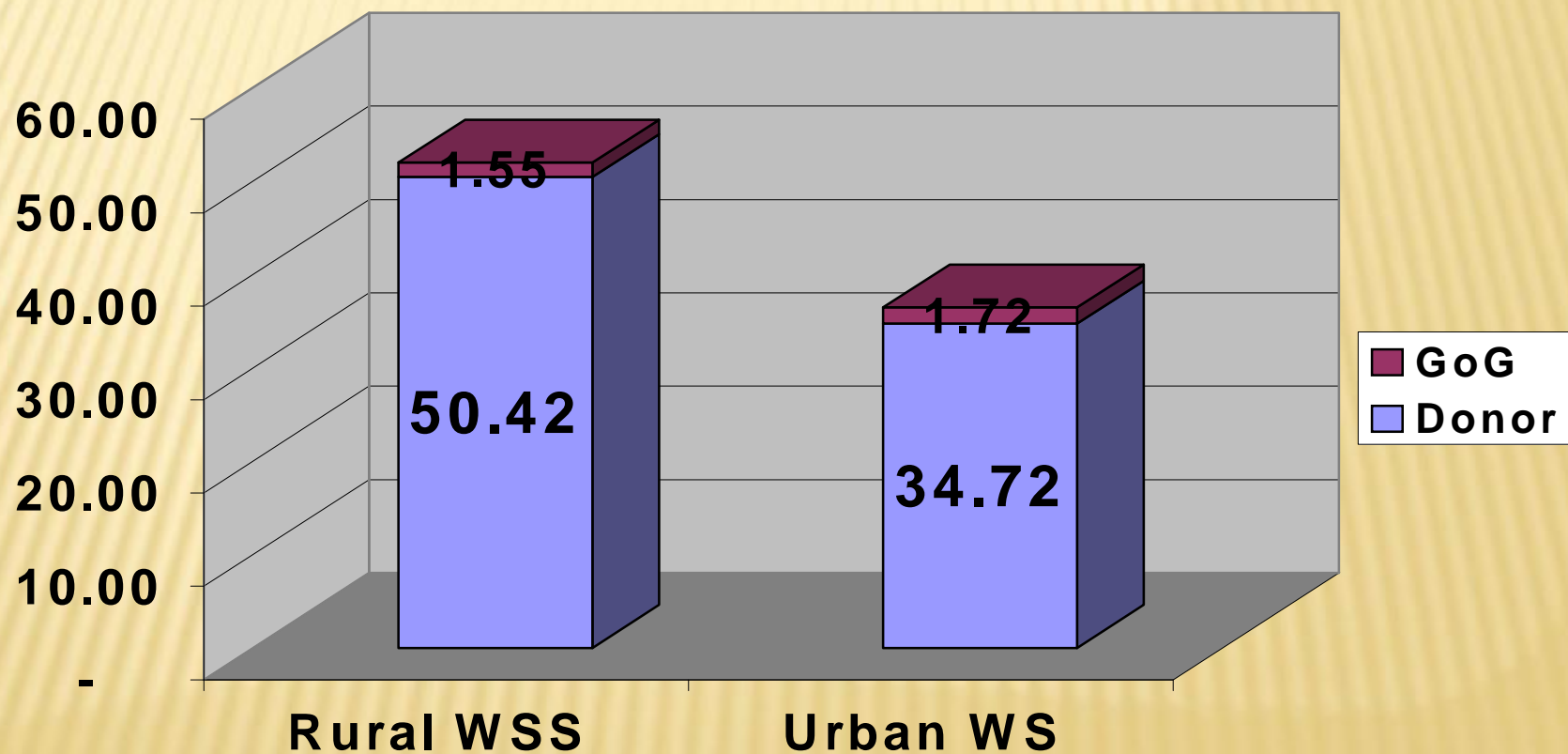
É Estimated \$756million to meet targets

É Currently only about half of this is being achieved



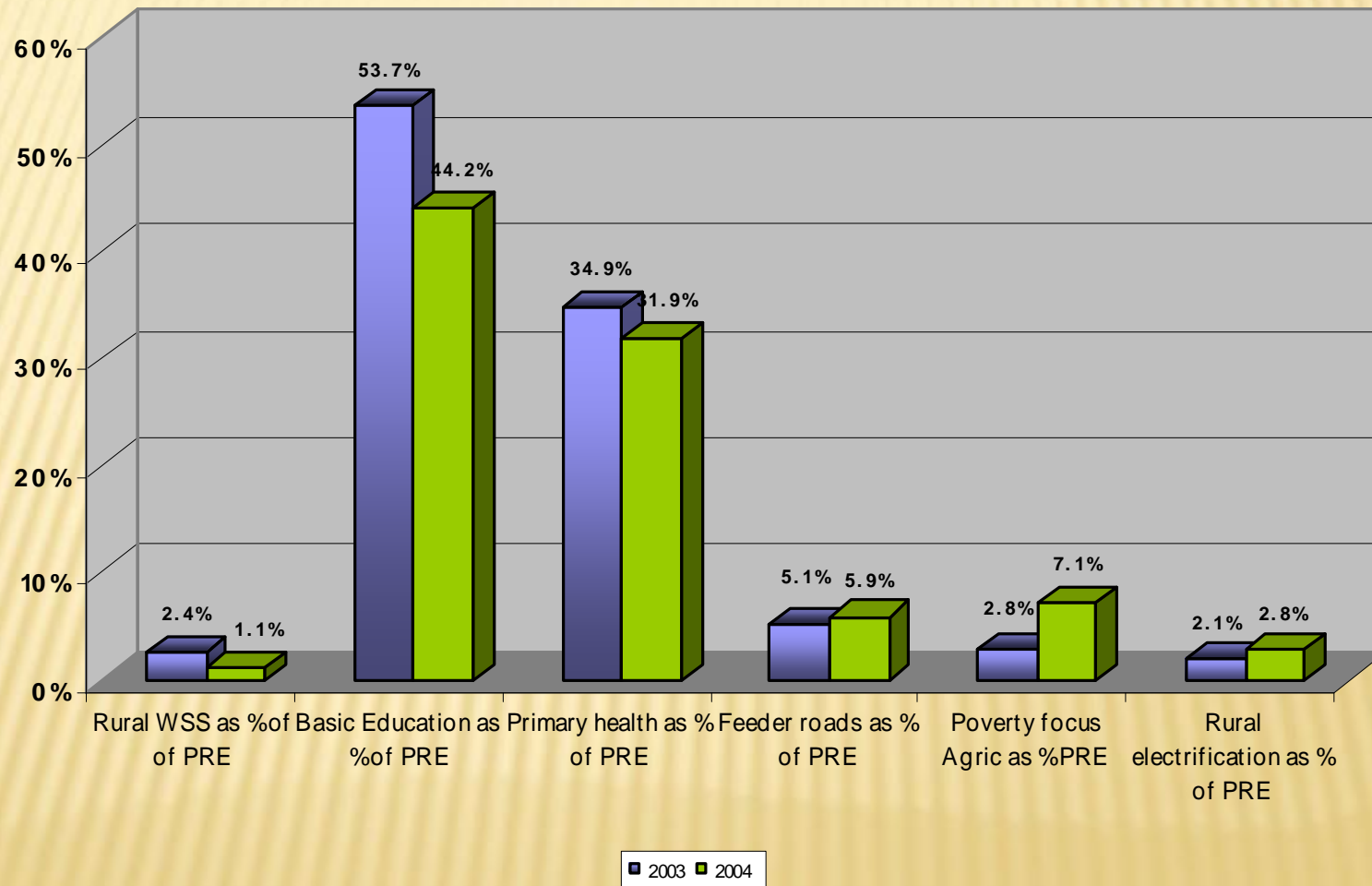
Financing Water Supply and Sanitation

2006 WSS investments by source - US\$m





GoG Poverty Reduction Expenditures by Sector





Challenges – Key Issues

ò Financing

- É Identification of requirements
- É Role of consumers
- É Role of Government and partners
- É Value for money

ò Equity and fairness

- É Urban vs rural – capital cost contributions, tariff levels
- É Served and unserved
- É Urban poor



Challenges – Key Issues II

- ò Management arrangements
 - É Role of the private sector - urban
 - É Lessons from community participation
 - É Creating sufficient awareness among key stakeholders on tariffs
- ò Monitoring and evaluation (a key weakness identified in the sector)



Thank You for Your Attention