

REPORT ON
ROUNDTABLE DISCUSSION ON SERVICES DELIVERY BY
GHANA WATER COMPANY LIMITED TO THE PRIVATE
SECTOR
HELD AT NOVOTEL HOTEL

2ND DECEMBER, 2003

Sponsored by UNDP

1.0. INTRODUCTION

The debate on privatizing state-run companies such as Ghana Water Company Limited, and making them more efficient has been going on for some time now. Until any concrete decision is taken, efforts have to be made to ensure efficient services delivery to the private sector.

Water is one of the major inputs in industrial activities. Are the attitudes of the? GWCL staff and the processes of service delivery supportive to the private sector in Ghana? If yes, how can we maintain the standards and work towards improvement? If no, what are the bottlenecks and the measures needed to make the firm's activities more supportive to the private sector than before?

These questions and their answers underlie the significance of the study conducted on "the Provision of Services by GWCL to the private sector in Ghana"

– how these impact on the private sector, and to identify a set of strategies for dialogue with Government for improvement the water sector, and to serve the private sector in a more reliable and efficient manner.

It was against this background that PEF organized a roundtable discussion on 2nd December, 2003 at the Novotel Hotel to discuss findings of the study report. The roundtable discussion brought together major stakeholders of the private sector, water and environmental experts, and industrialists.

The objective of the roundtable discussion was to offer a platform for expert input and recommendation into the final report in order to improve the quality of services by GWCL.

1.1. WELCOME ADDRESS

In a welcome address, the Director-General of PEF, Dr. Osei Boeh-Ocansey said the study was in line with one of PEF's functions in Policy Research and advocacy

Dr. Osei Boeh-Ocansey noted that not only was the volume of unaccounted for water said to be high, but also the deficit on the account went up and debt service obligations of GWSC could not be met under the reforms - the Water Sector Rehabilitation Project. He said water supply to both domestic and industrial consumers was found to be irregular and inadequate. The developments, he observed are impacting on businesses.

Dr. Osei Boeh-Ocansey was grateful to the UNDP for making it possible for PEF to organize the roundtable discussion. PEF was also grateful to USAID for providing the institutional support in all its programmes.

1.2.1 INTRODUCTION OF LEAD DISCUSSANT AND CHAIRPERSON

Dr. Osei Boeh-Ocansey also introduced Mr. Nii Boi Ayibotele, a Civil Engineer and an expert in water resources management as the lead discussant. The Chairperson for the programme was Mr. P. O. Sackey, Chief Consultant of POSA CONSULT Ltd, an Engineering and Management consultancy specializing in water and sanitation.

1.3. CHAIRMAN'S ACCEPTANCE REMARKS

In his acceptance remarks to chair the discussion, Mr. P. O. Sackey was not only glad that it was an honour done him to chair the programme, but also that he would learn more and would rely on the expert contributions of participants to enrich his scope of issues hitherto unknown to him.

1.4. STATEMENT BY THE RESIDENT REPRESENTATIVE OF UNDP

In a statement read for him the resident representative of UNDP Mr. Alfred Salia Fawundu, was happy to have supported the roundtable discussion on the Report on provision of services by Ghana Water Company Limited to the Private Sector in Ghana.

He noted that the Ghana Poverty Reduction Strategy (GPRS), which replaces the Interim Poverty Reduction Strategy Programme, sets out the development agenda for the economy of Ghana.

The GPRS document (2003-2005), he said, recognizes that current economic performance, namely a GDP growth rate of 4.7%, estimated for 2003, domestic saving ratio of lower than 10%, and imbalances in the sectoral composition of income, is woefully inadequate to redress the level of mass poverty in the country.

To work towards the eradication of poverty in the country, the GPRS acknowledges the need for the development of the private sector as the engine of growth, and also to create an enabling environment for the private sector to thrive and flourish.

Mr. Alfred Salia Fawundu said achieving the objectives of the GPRS would require the implementation of activities such as the co-ordination of sectoral efforts, promotion of positive attitudes from public institutions towards private enterprise fostering an enabling competitive and rewarding business environment and ensuring the elimination of bureaucratic restrictions and impediments.

It is for the achievement of these development strategies and priorities that the **UNDP** is providing support with the view to strengthening the technical and institutional capacity of the Private Sector in Ghana, so that the Private Sector could be better placed to perform its role as the engine of economic growth.

If the private sector is seen as the engine that will propel economic growth and Development of Ghana, he said, then the promotion of positive attitudes towards the Private sector businesses was crucial.

Negative attitudes and processes in service delivery to the private sector do not only cause delays in production and in rendering other services, but also are very frustrating and costly to business operators.

It was the hope of the UNDP that comments, recommendations and views of participants on the study report will support an effective public-private sector

advocacy and dialogue in support of the promotion and development of the private sector in Ghana.

He commended the Private Enterprise Foundation for carefully selecting the state of services delivery of GWCL, as one of the critical areas for study in Ghana's zeal to develop the Private sector and by extension, to eradicate poverty. The UNDP was proud to be part of this strategic study that should help the water Company! customers and the Government to know how to make more progress in service delivery.

2.0. PRESENTATION OF STUDY REPORT

Mr. Nii Ayibotele gave a historical perspective of the GWCL and the water sector in general, in order to give participants a better understanding of the current situation. He presented the scope of the study and its objectives, the methodology and findings, which for him were the basis for dialogue with Government.

2.1 CURRENT SITUATION OF GWCL

According to the lead discussant, GWCL presently employs 4690 people. It operates 82 urban water supply systems countrywide. Estimated demand (domestic & industrial) is 939,000 m³/day as against current production of 551,000 m³/day. The water quality is generally good, microbiologically and physico-chemically.

The frequency of supply is uneven. Some areas enjoy 24 hours supply of water, 7 days a week. Others on the outskirts of towns have supply once a week or none at all. Some industries consequently are forced to provide their own storage and treatment plants, or on site supplies. e.g. boreholes

The major complaint by all (domestic & industrial) consumers is about quality, inaccurate bills, and inability to respond promptly to problems, staff extorting money to correct faults

There was unequal access to water between rich and poor as well as unequal

access between industries in the formal and the informal sector.

A number of ethical policies were observed to have been geared towards good corporate governance, as an important ingredient of best practice, but the implementation was undermined by constraints (both internally and externally). On Issues of transparency, there were approved rules and guidelines to be followed to procure goods and services. However, the study concluded that there were such good policies only paper policies. For example, government appointed the board managing director and deputies while salary increases were often unrelated to productivity.

There is a weak commercial department and business functions are poorly performed. There is overstaffing, poor work ethics due to inability of most staff to identify with corporate vision/goals. He lamented the high unaccounted for water, through neglect of maintenance of burst pipes and weak financial position, due to low tariffs, inability to collect bills, heavy debt burden, etc.

3.0. ISSUES DISCUSSED

The presentation by the lead discussant brought to the fore a number of issues for deliberations. Most of these boarded on efficiency, the quality and quantity of water supplied, and sustainable water supply to the consumers.

3.1. WATER SUPPLY TO URBAN & RURAL AREAS FOR DOMESTIC AND INDUSTRIAL USES,

The interruption of water supply was very worrying to some participants. Participants from GWCL, adding to the picture painted by the lead discussant, noted that there was not only the need for rehabilitation of the water sector, particularly GWCL, but also investment to sufficiently resource the company for effective delivery of service. The problem was not just about attitudes of staff, salaries, the commercial department- collection of tariffs, but also lack of vehicles to ensure mobility, and checking of burst pipe lines by the staff. Participants from GWCL mentioned interferences by Government and PURC as part of the problem, but said even though there have been some improvements in salaries of staff (refers), there still remain a lot to be done especially on productivity.

3.2. CHARGES FOR SERVICES PROVIDED BY GWCL

It was noted that the mode of Payment could be improved through the use of pre-payment cards: It was observed that the water provided by GWCL is cheaper than water from other sources contrary to perceptions by some average consumers. For example, a bucket of water supplied by GWCL to customers is ₵70, while that from other commercial groups is between ₵200 and ₵400, which the consumers pay without complaints.

3.3. WATER TARIFFS

On the issue of raising water tariffs to enhance service delivery, participants thought that could put private enterprises out of business and the poor urban and consumers would be disadvantaged. Providing water at low cost to the urban and rural poor was a major problem because most of users were living in compound houses with no connection to pipe lines due to poor planning by the Townland Country Planning.

There was a pilot programme by ISODEC in the Savelugu-Nanton and other communities in the Northern and Southern parts of Ghana, which indicated success in the implementation process. The community based supply of water, based on willingness and ability to pay for the use of water was deemed practicable.

At the roundtable, some participants challenged the success of that programme on the grounds that the resources used for the project came from donors. They argued that cannot be sustainable without increased production and supply of water. It was suggested that a feasible solution is through increased investment.

3.4. THE ORGANIZATIONAL STRUCTURE OF GWCL

It was argued that the problem was not just about the organogram of the company per se, neither was it about an insider-outsider joint business that would resolve the numerous challenges. Rather, it was also about changing of attitudes and the

practice of good management ethics- Good Governance. This could bring about confidence and trust.

4.0. CONCLUSION

There was the need to investment in the water sector in Ghana, in GWCL in particular, in order to increase production, distribution/supply. This would also contribute to revenue, generation by GWCL. This is the only way the problem of urban and rural water crisis could be resolved. It would avoid the situation where some consumers are denied water for some section to get water.

5.0. RECOMMENDATION

The participants recommended the following:

- Participants suggested that the water sector in Ghana should be rehabilitated;
- GWCL should be resourced to enable it perform its functions better. This should include providing the needed equipment and facilities;
- GWCL should be adequately resourced, through increased investment, especially the commercial department, e.g. all the districts need to have at least a vehicle;
- Decentralization of the regulative bodies of GWCL to the district levels should be effected. This should include the commercial department to reduce staff, and mobilize revenue - thus strengthening the commercial and business functions of the company to manage production and collection of charges. The provision of new systems, provision of equipment, manpower reduction and training, etc. were very crucial in the reconstruction process.
- The payment procedures should be redesigned for consumers e.g. the use of pre-payment cards, which will collection of revenue more efficient and cost effective.
- Private sector participation should be encouraged, if that is a sure way to ensure the efficiency and sustainability.
- It was also suggested that an alternative solution be found with regards to the way treated water was used by wayside car cleaners
- It was necessary to take Other strategic actions to reduce cost and make more water available. (Pollution control- Environmental Protection Agency, Town & Country Planning - compliance with building regulations) - Participants 1 suggested these two agencies should be flagged.
- Finally, stabilizing the macro-economic environment was very much encouraged by the participants

5.1. CHAIRMAN'S CLOSING REMARKS

The chairman closed the meeting, urging the Private Enterprise Foundation to continue with the dialogue at all levels.

APPENDIX

A. LIST OF PARTICIPANTS

No	Name	Organization	Telephone
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28.	Mr. Paul Esse!	Accra Brewery Ltd	020-8169332
29.	Nana Kwame Osei Sarpong	VIBEFM	021-7011305
30.	Mr. Boahene Asamoah	Daily Graphic	021-684024
31.	Mr. Kwabong	Metro TV	021-671 762
32.	Mr. Solomon	Metro TV	021-671762
33.	Mr. Ythomas	Metro TV	021-671762
34.	Mr. Dan	Metro TV	021-671762
35.	U. Osei Boeh-Ocansey	PEF	021-515608/9
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37.	Mr. T. Ayemor	PEF	021-515608/9
38.	Mr. A. Boakye	PEF	021-515608/9
39.	Ms. E. Yalley	PEF	021-515608/9
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