

PRIVATE ENTERPRISE FOUNDATION

STUDY ON

**ASSESSING THE EFFECTIVENESS OF USING GLOBAL COMPACT CITIES
PROGRAMME FOR THE DEVELOPMENT OF GHANAIAN CITIES IN SOME
SELECTED MMDAs WITH FOCUS ON THE SERVICES DELIVERY IN THE
WATER SECTOR**

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EXECUTIVE SUMMARY

1.0 INTRODUCTION

1.1 Background of the Study

Among the strategic objectives of the Private Enterprise Foundation (PEF) is the policy to maintain a close relationship with private sector business organizations and to be the lead organization that would play an advocacy role in influencing policies and regulations of government. The Foundation would also relate to other internal and external bodies for the creation of an enabling economic environment that would ensure that private business in Ghana could increasingly contribute to national development.

In furtherance of this policy, PEF undertakes macroeconomic and policy analyses to develop information for enhanced advocacy and public- private sector dialogue with the view to gathering relevant data to equip the private sector to dialogue effectively with government and agencies as well as other institutions that provide services to the private sector.

Conventionally, PEF's advocacy role for private sector development in Ghana is pursued through dialogue with the Presidency and the Ministerial level without the involvement of MMDAs which most invariably are hosts of private sector operators. As hosts of private sector ventures efforts must be made to stimulate the interests of MMDAs especially in the provision of efficient utility services to reduce the cost of production.

The relevant questions of interest are: how should these MMDAs interest be stimulated? What would be the constraints and prospects? How feasible would this be? It is envisaged that other approaches to efficient service delivery in urban Centre development as adopted by other cities around the world using the UNDP Global Cities Programmes under the UNDP Global Compact Programme could be useful in Ghana's efforts towards achieving the MDGs.

It is in this background that the Private Enterprise Foundation signed an agreement with a team of consultants namely, Thomas Nyadziehe (PhD), Department of Chemical Engineering, KNUST and Charles Seth Kojo Kpordze (PhD), Department of Civil Engineering, KNUST, Kumasi to undertake this study.

1.1.1 The United Nations Global Compact and Associated Cities Programme

The United Nations Global Compact and associated Cities Programme are complementary organizations that, together, offer business, government and civil society options for proactively supporting corporate social justice principles and initiatives.

The Global Compact is a business-focused initiative that seeks to bring companies together with UN agencies, labour and civil society in support of ten core principles focusing on the areas of human rights, labour, the environment and anti-corruption. The Global Compact recognizes the growing influence of the private sector and the subsequent opportunity that exists for corporations to adopt, internalize and apply these key overarching principles in their sectors of activity for the benefit of their companies and the communities in which they operate.

1.1.2 The UN Global Compact (UNGC)-Cities Programme

The UNGC- Cities Programme is an urban-focused component of the UN Global Compact. The programme provides a unique model for cities across the globe to develop innovative and sustainable solutions to long-term and intractable challenges based on the premise that any city, anywhere, contains the capacity to resolve the issues it faces. The Cities Programme offers a framework- in the form of the 'Melbourne Model' – for building constructive, all-sector taskforces between business, government and civil society, to produce practical responses in areas where single-sector initiatives have

previously failed

The development of new, progressive methodologies such as the Cities Programme has become increasingly critical in the twenty-first century as urban populations outnumber rural growth for the first time and new, complex challenges emerge. Combining the ideas, knowledge, experience and resources inherent within business, government and civil society, offers a powerful, unique and unlimited capacity to effect change and address these challenges in areas such as waste management, water and sanitation, poverty alleviation, traffic safety and housing redevelopments

' Working within the Global Compact framework, the Cities Programme exists therefore to offer metropolis as well as organizations the opportunity to translate UN principles and standards into concrete and positive outcomes in everyday urban environments. It is a model that aims at developing innovative solutions for numerous environmental, social and economic issues confronting cities through effective use of cross-sector partnerships between government, business and civil society, so as to eventually alleviate poverty and meet the millennium development goals of MMDAs.

1.2 Objective of the Study

The objective of this study is to assess the effectiveness of using global compact cities programme for the development of Ghanaian cities in the following MMDAs: Accra Metropolitan Assembly (AMA), Tema Municipal Assembly (TMA), Kumasi Metropolitan Assembly, (KMA) and the Shama Ahanta East Metropolitan Assembly (SAEMA), with focus on the services delivery in the water sector.

1.3 Terms of Reference (TOR)

The elements of the assignment carried out were specified in the terms of reference (TOR) with reference to four (4) selected Municipal Assemblies namely AMA (Accra), TMA (Tema), KMA (Kumasi) and SAEMA (Secondi Takoradi). The specifics of the terms of reference include:

- (a) Examine the mandate of the MMDAs with reference to the provision of utility services particularly potable water.
- (b) Assess the effectiveness or otherwise of this mandate among the said MMDAs
- (c) Evaluate the state of unreliability in water supply to business in these MMDAs.
- (d) Assess the extent of interaction among the users of the utility particularly water, the suppliers of water and the city or metropolitan / municipal authorities in ensuring efficient services delivery in the water sector in these MMDAs.
- (e) Investigate other relevant issues that affect the service's delivery
- (f) Make recommendations for improvement in water supply to industry in these MMDAs using Global Compact Cities Programme Approaches.

1.4 Methodology and Approach

A questionnaire was designed and administered by the team. Even though the questionnaire was comprehensive, it in most cases served as an interview guide and many more probing questions were asked. In the cases where management could not meet the team, the questionnaire served the purpose.

The methodology was grounded in an analysis of the structure of the water sector in Ghana, particularly the Ghana Water Company Limited (GWCL), and the structure of the MMDAs and the review of the literature on the UN Global Compact Project.

The specific questions that this study attempted to answer are:

- (a) Examine the mandate of the MMDAs with reference to the provision of utility services particularly potable water.
- (b) Assess the effectiveness or otherwise of this mandate among the said MMDAs
- (c) Evaluate the state of unreliability in water supply to business in these MMDAs.
- (d) Assess the extent of interaction among the users of the utility particularly water, the suppliers of water and the city or metropolitan / municipal authorities in ensuring efficient services delivery in the water sector in these MMDAs.
- (e) Investigate other relevant issues that affect the services delivery
- (f) Make recommendations for improvement in water supply to industry in these MMDAs using Global Compact Cities Programme Approaches.

1.5 Limitations of the Study

The survey should have started in December, 2006 however based on previous experience that December is generally the time for preparation of financial and annual reports and furthermore most private industries would be very busy with trying to meet targets for expanded demand in the Christmas season it was decided that December survey would be ill-timed and lead to excessive delays

in responses to the questionnaires. The survey was therefore rescheduled for January to February 2007; coincidentally that turned out to be the time of preparation of the MMDAs for Ghana-at-Fifty celebrations. Personal interviews were therefore not possible with the Authorities at the MMDAs. While the questionnaire was comprehensive, since management could not meet the team, some background information was lost for lack of opportunity for the team to probe further. Despite these limitations, the team attained 75% of the responses required. The questionnaires were well filled. The quality of research was therefore not affected.

2.0 Summary of Findings of the study

The main findings that are presented here are the result of responses from the selected MMDAs and from documented sources.

2.1 Familiarity with the UNGCCP

There is a general lack of:

- Awareness of the United Nations Global Compact and associated Cities Programme and the options of development it offers business, government and civil society for proactively supporting corporate social justice principles and initiatives.
- Framework in terms of policies, strategies etc. for implementing the United Nations Global Compact and associated Cities Programme
- Appropriate organizational structures and coordinating mechanisms for building constructive, all-sector taskforces between business, government and civil society, to produce practical responses in area of water services provision where single-sector initiatives have previously failed.

2.2 Preferred Water Services Provider

All the MMDAs strongly favour the Ghana Water Company Limited (GWCL) to collaborate with private sector companies, especially industrial concerns that use large volumes of water in the manufacture of their products to work together to find solution to the problem of inefficient water service delivery in the metropolis. This approach makes sense since the mandate of the assembly permits them to collaborate in the management of the affairs of companies and institutions operating in the metropolis.

However, one respondent is of the opinion that this cross-sector partnership can be more effective if the current Board of Directors is reconstituted to allow for representation from the MMDAs, businesses and civil society groups within the metropolis

In the previous study by PEF in 2003 one of the strategic issues for dialogue dwelled on industries and what they can do in order to facilitate better water supplies to them. One such issue is whether industries will be willing to pay a higher tariff in order to obtain secure water supplies. It was generally agreed that payment of higher tariff might not bring about better service delivery. Payment for dedicated service lines could be a better option if it could be implemented.

2.3 Fund Mobilization by Stakeholders/Partners to Financially Resource the GWCL

The key constraint pointed out by all the MMDAs is lack of financial resources. The study therefore dwelled on fund mobilization by stakeholders to resource GWCL performs its core duties. A summary of responses from the MMDAs is presented below:

- The respondent MMDAs proposed that the stakeholder partners operating within the metropolis should raise funds to financially resource the GWCL
- The Authorities of the GWCL should improve its financial performance so that it could be reorganized as an efficiently run company that can be listed on the Ghana Stock Exchange. GWCL can then float shares/bonds for the public to buy.
- Stakeholders or business groups who donate funds to GWCL to operate successfully to improve water service delivery in the metropolis should be granted tax incentives/relief

3.0 RELEVANT ISSUES THAT AFFECT THE PERFORMANCE OF THE MMDAS

3.1 General Problems facing the metropolis

Financial constraint was the main reason the MMDAs gave as the root cause of the existence of inadequate social and other infrastructure in the metropolis. Two key reasons which emerged for their financial difficulties are:

- Insufficient share of District Assemblies Common Fund
- Low revenue mobilization

4.0 RECOMMENDATIONS AND STRATEGIC ISSUES FOR DIALOGUE

The study targeted the four municipalities listed below:

- Accra Metropolitan Assembly (AMA)
- Kumasi Metropolitan Assembly (KMA)
- Shama Ahanta East Metropolitan Assembly (SAEMA)
- Tema Municipal Assembly (TMA)

The main findings presented here are those that emerged from the responses to the questionnaire from the MMDAs and documented sources.

4.1 General Issues

The objective of this study is to assess the effectiveness of using global compact cities programme for the development of Ghanaian cities in the selected MMDAs with focus on the services delivery in the water sector.

The studies revealed that there is a general lack of:

- Awareness of the United Nations Global Compact and associated Cities Programme and the options of development it offers business, government and civil society for proactively supporting corporate social justice principles and initiatives.
- Framework in terms of policies, strategies etc. for implementing the United Nations Global Compact and associated Cities Programme

Appropriate organizational structures and coordinating mechanisms for building constructive, all-sector taskforces between business, government and civil society, be established to produce practical responses in area of water services provision where single-sector initiatives have previously failed.

An institution should be created to foster communication and relevant information flow among stakeholders in the Metropolis

4.2 Fund Mobilization by Stakeholders/Partners to Resource GWCL

The following recommendations which emerged from the analysis of the questionnaires are:

- That stakeholder partners operating within the metropolis raise funds to financially resource the GWCL to enable it perform its functions better specifically in providing the needed equipment and facilities; increasing investment, improving its commercial departments, rehabilitation in the water sector.
- The management of the GWCL should aim at making the company an efficiently run company that can be listed on the Ghana Stock Exchange. GWCL can then generate funds by floating shares/bonds for the public to buy.

Stakeholders or business groups who donate funds to GWCL to operate successfully to improve water service delivery in the metropolis should be granted tax incentives/relief.

4.3 Technical Factors and Needed Improvements in GWCL

It is recommended that GWCL takes steps to improve the quality of its service and Turnover Performance to make the company attractive for stakeholders to be willing to invest in the company. Possible changes that need to be carried out include:

- Overhauling existing transmission and distribution lines;
- Extending metering to all consumers;
- Strive progressively to reduce the percent Non-Revenue Water (NRW) loss from the present range of 48- 50% to an economically acceptable level of between 15-20 %.
- Improve communication to users on impending interruptions and other difficulties that the company may face; and

- Increase vigilance in spotting leaks and breaks as soon as they occur. It is possible to install a SCADA system that will transmit information to the control centre; points of leakage, pumping equipment malfunction in the distribution network for immediate action. It will also eliminate most if not all the quality problems as they tend to be introduced during transmission and distribution.

It is believed that these steps, when taken, will ensure the reliability of water supply to all consumers and especially to industry to encourage their participation in the development and service provision for the Metropolis in which they reside.

4.4 Recommended Strategic Issues for Dialogue

The political will and social commitment have been created for cooperation among business, government and civil society. It is therefore recommended that:

- Framework in terms of policies, strategies etc. for implementing the United Nations Global Compact and associated Cities Programme are set up.
- Appropriate organizational structures and coordinating mechanisms for building constructive, all-sector taskforces between business, government and civil society should be formed in all MMDAs.

Some of the strategic issues that may be considered for dialogue include:

- Mandate of the Assemblies with Reference to the Provision of Water be reviewed.

- Macro-economic environment (limiting factors such as the supply of electricity that affect the efficiency of GWCL) and other strategic infrastructure should be improved by Government. It is therefore recommended that:
- the macro-environment within which GWCL, the water provider, operates should be improved and the required policy and regulatory interventions reviewed to foster private sector investment in the water sector.
- GWCL should on its own tackle some of the lapses within its operations, with or without external interventions to improve service delivery to the productive private sector; these may include the establishment of dedicated supply lines to industrial zones.
- GWCL should find innovative ways of tackling the problems of inadequate infrastructure for production and distribution, losses of water produced to non-revenue uses, and other systemic inefficiencies.

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1.0 INTRODUCTION

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In furtherance of this policy, PEF undertakes macroeconomic and policy analyses to develop information for enhanced advocacy and public-private sector dialogue with the view to gathering relevant data to equip the private sector to dialogue effectively with government and agencies as well as other institutions that provide services to the private sector.

To mainstream best practices in industry, PEF has over the years identified the constraints and difficulties of companies, how these impact on the private sector development in Ghana and to identify a set of strategic issues for dialogue with the Government to bring about improvement. From various studies conducted by PEF, the utilities have been identified as constraints affecting the efficiency of the productive sectors of the private sector in Ghana.

Conventionally, PEF's advocacy role for private sector development in Ghana is pursued through dialogue with the Presidency and the Ministerial level without the involvement of MMDAs which most invariably are hosts of private sector operators. As hosts of private sector ventures, efforts must be made to stimulate the interests of MMDAs especially in the provision of efficient utility services to reduce the cost of production.

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The UNGC- Cities Programme is an urban-focused component of the UN Global Compact. The programme provides a unique model for cities across the globe to develop innovative and sustainable solutions to long-term and

intractable challenges based on the above mentioned ten principles of the Global Compact.

Based on the premise that any city, anywhere, contains the capacity to resolve the issues it faces, the Cities Programme offers a framework- in the form of the 'Melbourne Model'- for building constructive, all-sector taskforces between business, government and civil society, to produce practical responses in areas where single-sector initiatives have previously failed.

The development of new, progressive methodologies such as the Cities Programme has become increasingly critical in the twenty-first century as urban populations outnumber rural growth for the first time and new, complex challenges emerge. Combining the ideas, knowledge, experience and resources inherent within business, government and civil society, offers a powerful, unique and unlimited capacity to effect change and address these challenges in areas such as waste management, water and sanitation, poverty alleviation, traffic safety and housing redevelopments.

Working within the Global Compact framework, the Cities Programme exists therefore to offer metropolis as well as organization's the opportunity to contribute to the mainstreaming of the ten principles at a city-wide level, translating these standards into concrete and positive outcomes in everyday urban environments. It is a model that aims at developing innovative solutions for numerous environmental, social and economic issues confronting cities through effective use of cross -sector partnerships between government, business and civil society, so as to eventually alleviate poverty and meet the millennium development goals of MMDAs.

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The objective of this study is to assess the effectiveness of using global compact cities programme for the development of Ghanaian cities in the following MMDAs: Accra Metropolitan Assembly (AMA), Tema Municipal Assembly (TMA), Kumasi Metropolitan Assembly, (KMA) and the Shama

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- (c) Evaluate the state of unreliability in water supply to business in these MMDAs.
- (d) Assess the extent of interaction among the users of the utility particularly water, the suppliers of water and the city or metropolitan / municipal authorities in ensuring efficient services delivery in the water sector in the MMDAs.
- (e) Investigate other relevant issues that affect the services delivery
- (f) Make recommendations for improvement in water supply to industry in these MMDAs using Global Compact Cities Programme Approaches.

1.4 Methodology and Approach to Study

A questionnaire was designed and administered by the team. Even though the questionnaire was comprehensive, it in most cases served as an interview guide and many more probing questions were asked. In the cases where management could not meet the team, the questionnaire served the purpose.

The methodology was grounded in an analysis of the structure of the water sector in Ghana, particularly the Ghana Water Company Limited (GWCL), and the structure of the MMDAs and the review of the literature on the UN Global Cities Compact Project.

The specific questions that this study attempted to answer are:

- (a) Examine the mandate of the MMDAs with reference to the provision of utility services particularly potable water.
- (b) Assess the effectiveness or otherwise of this mandate among the said MMDAs
- (c) Evaluate the state of unreliability in water supply to business in these MMDAs.
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- (e) Investigate other relevant issues that affect the services delivery
- (f) Make recommendations for improvement in water supply to industry in these MMDAs using Global Compact Cities Programme Approaches.

1.5 Structure of the Report

The report is organized in five sections. The first section is the introduction which deals with purpose of the study and its objectives. It contains the methodology and the approach adopted to carry out the study and the limitations of the study.

Section 2 deals with status of water services delivery in selected cities. It examined current situation of water coverage in selected Ghanaian metropolis; particularly water service delivery and reliability to private sector industries. Mandate of the Assemblies with reference to the provision of water and the effectiveness of this mandate, it also touched on the interaction among the stakeholders to ensure better service delivery.

Section 3 deals with the summary of the findings of the study including familiarity of the municipal authorities with the UN Global Compact Cities Programme, preferred water services provider and fund mobilization by stakeholders to financially resource the GWCL, the major service provider. Section 4 in turn deals with relevant issues that affect the water service delivery in the MMDAs and problems facing the MMDAs. Section 5 contains recommendations for improvement in water supply to industry in the MMDAs and strategic issues for dialogue.

1.6 Limitations of the Study

The survey should have started in December however based on previous experience that December is generally the time for preparation of financial and annual reports and furthermore most private industries would be very busy with trying to meet targets for expanded demand in the Christmas season it was decided that December survey would be ill-timed and lead to excessive delays in responses to the questionnaires. The survey was therefore rescheduled for January to February 2007; coincidentally that turned out to be the time of preparation of the MMDAs for Ghana-at-Fifty celebrations. Personal interviews were therefore not possible with the Authorities at the MMDAs. While the

questionnaire was comprehensive, since management could not meet the team, some background information was lost for lack of opportunity for the team to probe further. Despite these limitations, team attained 75% of the responses required. The questionnaires were well filled. The quality of research was therefore, not affected.

2.0 STATUS OF WATER SERVICES DELIVERY IN SELECTED CITIES

2.1 Current Situation of Water Coverage in Ghanaian Municipalities

In the last decade water and sanitation has received a high level of political and donor support and is highlighted as a key area in the recently developed Ghana Poverty Reduction Strategy (GPRS) document. Significant advances have therefore been made in the development of the water and sanitation sector in Ghana during the period. Some of key events have been the launching of a National Community Water and Sanitation Programme (NCWSP, 1994), the establishment of a Community Water and Sanitation Agency (CWSA) by an Act of Parliament, Act 564 in December 1998 and the on-going sector reform which is promoting private sector participation in the urban sector with the promise of ensuring more efficient operation of sector institutions and massive new investments to extend water coverage to urban populations including the poor.

2.1.1 Water Services Delivered to the Private Sector Industries

The Private Enterprise Foundation in 2003 conducted a study on the services provided by the Ghana Water Company Limited (GWCL), the sole service provider, to the private sector in Ghana. The aim of the study was to find out the constraints and difficulties of the company, how they impact on the private sector and to identify a set of strategic issues for dialogue with the Government to bring about improvement.

The study established among other things that the quality of water delivered to customers was generally good except that in some cases there were problems in maintaining satisfactory levels of residual chlorine. Colour and turbidity in the wet season also posed some problems in some systems.

The study further revealed that there were frequent cases of interruptions in water supply to domestic and industrial users. The problem was best described by the situation in the Accra Municipality where only 30% of residents enjoyed 24-hour supply. Another 30% received supplies 12 hours a day five days a

week. Twenty-five percent (25%) received supplies for two days in a week and the remaining 15% on the outskirts of town had supply once a week or none at all.

The performance of the water sector has been rated as poor and ineffective resulting in low levels of coverage and very slow and unsustainable level of development of the sector. Thus with increased political will, donor support, new developments and restructuring of the sector have all contributed to the provision of physical facilities to cities, however they have not put the country in a firm position towards meeting the targets of the Millennium Development Goals (MDGs). The (MDGs) aims at halving the number of people without access to water and sanitation by 2015.

It is in the light of this background that the UNGC- Cities Programme which is an urban-focused component of the UN Global Compact and based on the premise that any city, anywhere, contains the capacity to resolve the issues it faces, could constitute a framework for building constructive, all-sector taskforces between business, government and civil society, to produce practical responses in the municipal water sector of Ghana where single-sector initiatives have previously failed. The development of new, progressive methodologies such as the Cities Programme has become increasingly critical in the twenty-first century as urban populations growth is increasing rapidly. New and complex challenges have emerged thus combining the ideas, knowledge, experience and resources inherent within business, government and civil society, offers a powerful, unique and unlimited capacity to effect change and address the challenges in municipal water delivery in Ghana.

2.2 Metropolitan Assemblies Studied

The study targeted the four municipalities listed below:

Accra Metropolitan Assembly (AMA)

Kumasi Metropolitan Assembly (KMA)

Shama Ashanti East Metropolitan Assembly (SAEMA)

Tema Municipal Assembly(TMA)

An analysis of responses of the Municipal Assemblies studied indicates that 75% response was obtained.

Table 2.1 List of MMDAs and Contact Person(s)

Name of Assembly	City	Position held in the Assembly
Accra Metropolitan Assembly(AMA)	Accra	Mr. Ernest Myers, Administrative Assistant
Kumasi Metropolitan Assembly (KMA)	Kumasi	Ms. Lucy Owusu Ansah, Metro Chief Economist
Shama Ahanta East Metropolitan Assembly(SAEMA)	Secondi-Takoradi	Mr. Clement Dandori, Metro Coordinating Director
TMA Tema Municipal Assembly(TMA) SA EMA	Tema	N/A

2.3 Mandate of the Assemblies with Reference to the Provision of Water

The results of the study indicated that the municipal assemblies have a supportive role but no direct responsibility in the provision of water supply to their municipalities. The responsibility for providing potable water to residents including industries sited in these metropolitan assemblies' rests with GWCL. However, it is the mandate of the metropolitan assembly to ensure that GWCL provides quality service at an affordable price to ensure equity among the citizenry. Furthermore, the assembly has a duty to support rural communities to access borehole water and Sanitation through Water and Sanitation Board (WATSAN). The responses received from each assembly is summarized below in Table 2.2

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Table: 2.2 Mandate of the Assemblies with Reference to the Provision of Water.

Name of Assembly	Response
AMA	It is the mandate of the metropolitan assembly to ensure that GWCL provides quality service at an affordable price to ensure equity among citizens
SAEMA	The assembly has a duty to support rural communities to access borehole water and Sanitation through Water and Sanitation Board (WATSAN)
KMA	Water services delivery in the metropolis is the responsibility of GWCL
TMA	N/A

2.4 The Effectiveness of the Mandate for Water Supply among the Selected MMDAs

The MMDAs do not have the mandate for the delivery of water services to the metropolis. They know the problems associated with the water services delivery however they are not effective in solving them. There is therefore the need for a proper legal and institutional framework to be set up to facilitate the implementation of the UNGC – Cities Programme model in the MMDAs in Ghana.

2.5 Reliability of Water Service Delivery in the Selected Metropolis

The main supplier of water to the Metropolis in Ghana is the Ghana Water Company Limited, GWCL. In theory, once connected to the water supply system, the supply from this source is sufficient for the needs of all customers, including industrial producers. All the metropolises reported that the water service delivery is not efficient and residents can expect potable water from

GWCL to be available on the average about half the time every week and sometimes water interruptions can last for longer periods. Some of the reasons cited for this state of affairs are:

- Demand for potable water far exceeds the supply due to a high rate of urbanization
- Inadequate infrastructure requirements/equipment (pumps, pipes and accessories) on the part of GWCL
- Illegal water tapping
- Lack of interaction between estate developers and water service provider's leading to difficulty in water demand forecasts.
- Inefficient revenue collection efforts on the part of GWCL or its accredited revenue collection agents
- Power interruptions
- inadequate funding for GWCL
- Inefficient management by GWCL

The responses from the municipalities basically agreed with the results of earlier studies made by PEF on productive industries. The industries studied included alcoholic and non-alcoholic beverages, soap and toiletries, food processing (fish, cocoa, salt, meat, and fruit), pharmaceuticals, petroleum, cement and textiles, the productive industrial sector. Detailed finding in the 2003 study indicated that:

- Water is one of the most important inputs in their production processes.
- water supply from GWCL for their production processes was unreliable.
- direct cost of obtaining water from GWCL ranged between 30 and 200 thousand Ghana cedis per annum based on the volume of production.

the indirect cost spending on reservoir's, boreholes and commercial tanker services ranged from 1 to 50 thousand Ghana cedis.

- the cost of treatment of water to make it acceptable for product manufacture ranged from 1 to 20 thousand Ghana cedis per annum.

The general conclusion made was that the above constraints on industries has the tendency to increase the general cost *of doing business in Ghana*.

Over 50% of the companies surveyed indicated that they were not satisfied with water from the service provider, GWCL because of various combinations of the following three reasons:

- frequent water interruptions;
- lack of prior notice on water interruptions;
- quality of water that does not meet their specifications.

With respect to the last point above, industries indicate that water for their production purposes must be colourless, odorless and contain no foreign matter. Water from GWCL is not always colourless and sometimes contains foreign matter, including micro-biological organisms.

2.6 Interaction among the Stakeholders in the Water Sector in Ensuring Efficient Services Delivery in the MMDAs.

The responses received from metropolitan authorities indicated that they have no formal forum between them and the water service provider (GWCL), water users and other stakeholders to discuss the state of water service delivery in the metropolis. Although no such forum exists at the present time all of them are of the opinion that the formation of such a forum is necessary to foster interaction among all stakeholders in order to find solutions for efficient water service delivery in the metropolis

3.0 Summary of Findings of the study

The main findings that are presented here are the result of responses from the selected MMDAs and from documented sources.

3.1 Familiarity with the UNGCCP

There is a general lack of:

- Awareness of the United Nations Global Compact and associated Cities Programme and the options of development it offers business, government and civil society for proactively supporting corporate social justice principles and initiatives.
- Framework in terms of policies, strategies etc. for implementing the United Nations Global Compact and associated Cities Programme
- Appropriate organizational structures and coordinating mechanisms for building constructive, all-sector taskforces between business, government and civil society, to produce practical responses in area of water services provision where single-sector initiatives have previously failed.

3.2 Preferred Water Services Provider

All the MMDAs strongly favour the Ghana Water Company Limited (GWCL) to collaborate with private sector companies, especially industrial concerns that use large volumes of water in the manufacture of their products to work together to find solution to the problem of inefficient water service delivery in metropolis. This approach makes sense since the mandate of the assembly permits them to collaborate in the management of the affairs of companies and institutions operating in the metropolis.

However, one respondent is of the opinion that this cross-sector partnership can be more effective if the current Board of Directors is reconstituted to allow for representation from the MMDAs, businesses and civil society groups within the metropolis

In the previous study by PEF in 2003 one of the strategic issues for dialogue dwelled on industries and what they can do in order to facilitate better water supplies to them. One such issue is whether industries will be willing to pay a higher tariff in order to obtain secure water supplies. It was generally agreed that payment of higher tariff might not bring about better service delivery. Payment for dedicated service lines could be a better option if it could be implemented.

3.3 Fund Mobilization by Stakeholders/Partners to Financially Resource the GWCL

The key constraint pointed out by all the MMDAs is lack of financial resources. The study therefore dwelled on fund mobilization by stakeholders to resource GWCL performs its core duties. A summary of responses from the MMDAs is presented below:

- The respondent MMDAS proposed that the stakeholder partners operating within the metropolis should raise funds to financially resource the GWCL
- The Authorities of the GWCL should improve its performance greatly so that it could be reorganized as an efficiently run company that can be listed on the Ghana Stock Exchange. GWCL can then float shares/bonds for the public to buy.
- Stakeholders or business groups who donate funds to GWCL to operate successfully to improve water service delivery in the metropolis should be granted tax incentives/relief

4.0 RELEVANT ISSUES THAT AFFECT THE PERFORMANCE OF THE MMDAS

4.1 General Problems facing the metropolis

Financial constraint was the main reason the MMDAs gave as the root cause of the existence of inadequate social and other infrastructure in the metropolis. Two key reasons which emerged for their financial difficulties are:

- Insufficient share of District Assemblies Common Fund
- Low revenue mobilization

5.0 RECOMMENDATIONS AND STRATEGIC ISSUES FOR DIALOGUE

The study targeted the four municipalities listed below:

- Accra Metropolitan Assembly (AMA)
- Kumasi Metropolitan Assembly (KMA)
- Shama Ahanta East Metropolitan Assembly (SAEMA)
- Tema Municipal Assembly (TMA)

The main findings presented here are those that emerged from the responses to the questionnaire from the MMDAs and documented sources.

5.1 General Issues

The objective of this study is to assess the effectiveness of using global compact cities programme for the development of Ghanaian cities in the selected MMDAs with focus on the services delivery in the water sector.

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The studies revealed that there is a general lack of:

- Awareness of the United Nations Global Compact and associated Cities Programme and the options of development it offers business, government and civil society for proactively supporting corporate social justice principles and initiatives.
- Framework in terms of policies, strategies etc. for implementing the United Nations Global Compact and associated Cities Programme

Appropriate organizational structures and coordinating mechanisms for building constructive, all-sector taskforces between business, government and civil society, be established to produce practical responses in area of water services provision where single-sector initiatives have previously failed.

An institution should be created to foster communication and information flow among stakeholders in the Metropolis.

5.2 Fund Mobilization by Stakeholders/Partners to Resource GWCL

The following recommendations which emerged from the analysis of the questionnaires are:

- That stakeholder partners operating within the metropolis raise funds to financially resource the GWCL to enable it perform its functions better specifically in providing the needed equipment and facilities; increasing investment, improving its commercial departments, rehabilitation in the water sector.
- The management of the GWCL should aim at making the company an efficiently run company that can be listed on the Ghana Stock Exchange. GWCL can then generate funds by floating shares/bonds for the public to buy.

Stakeholders or business groups who donate funds to GWCL to operate successfully to improve water service delivery in the metropolis should be granted tax incentives/relief.

5.3 Technical Factors and Needed Improvements in GWCL

It is recommended that GWCL takes steps to improve the quality of its service and Turnover Performance to make the company attractive for stakeholders to be willing to invest in the company. Possible changes that need to be carried out include:

- Overhauling existing transmission and distribution lines;
- Extending metering to all consumers;
- Strive progressively to reduce the percent Non-Revenue Water (NRW) loss from the present range of 48 - 50% to an economically acceptable level of between 15 -20 %.
- Improve communication to users on impending interruptions and other difficulties that the company may face; and
- Increase vigilance in spotting leaks and breaks as soon as they occur. It is possible to install a SCADA system that will transmit information to the control centre; points of leakage, pumping equipment malfunction in the distribution network for immediate action. It will also eliminate most if not all the quality problems as they tend to be introduced during transmission and distribution.

It is believed that these steps, when taken, will ensure the reliability of water supply to all consumers and especially to industry to encourage their participation in the development and service provision for the Metropolis III which they reside.



5.4 Recommended Strategic Issues for Dialogue

The political will and social commitment have been created for cooperation among business, government and civil society. It is therefore recommended that:

- Framework in terms of policies, strategies etc. for implementing the United Nations Global Compact and associated Cities Programme are set up.
- Appropriate organizational structures and coordinating mechanisms for building constructive, all-sector taskforces between business, government and civil society should be formed in all MMDAs.

Some of the strategic issues that may be considered for dialogue include:

- Mandate of the Assemblies with Reference to the Provision of Water be reviewed.
- Macro-economic environment (limiting factors such as the supply of electricity that affect the efficiency of GWCL) and other strategic infrastructure should be improved by Government. It is therefore recommended that:
- the macro-environment within which GWCL, the water provider, operates should be improved and the required policy and regulatory interventions reviewed to foster private sector investment in the sector.
- GWCL should on its own tackle some of the lapses within its operations, with or without external interventions to improve service delivery to the productive private sector; these may include the establishment of priority supplies lines to industrial zones.

- GWCL should find innovative ways tackling the problems of inadequate infrastructure for production and distribution, losses of water produced to non-revenue uses, and other systemic inefficiencies.

Annex 1- QUESTIONNAIRE

Questionnaire for Metropolitan, Municipal or District Assemblies (MMDAs)

A. Background Information of the Assembly

1. Description of the Assembly

Name of Assembly.....

Location.....

Postal Address.....

Contact Person.....

Position title.....

Tel. No / E-mail.....

B. Mandate of the Assembly with Reference to Provision of Water Utility Services

The effective delivery of water services is essential for poverty alleviation and meeting the Millennium Development Goals (MDGs).

2. Please outline the mandate of the Assembly as *far as water services delivery is concerned*.

C. General Systemic Problems Facing the Metropolis/ Municipality/District

**3. Could you enumerate some of the systemic problems facing the Metropolis?
*You may tick as many as are applicable.***

- ☐ Financial constraints or limitations
- ☐ Inadequacy of social and other infrastructure
- ☐ Outdated technology in relation to water services delivery
- ☐ Others (please specify below)

D. Financial Constraints of the Assembly

4. Which of these best describe or explain the financial constraints of the Assembly?

- ☐ Insufficiency of the share of the District Assemblies Common Fund
- ☐ Difficulties of revenue mobilization
- ☐ Inadequacy of social and other infrastructures
- ☐ Others (please specify below)

E. Some Problems Associated with Water Services Delivery in the Metropolis/ Municipality District

5. How would you generally rate the degree of reliability of water services delivery in your Metropolis/ Municipality/District?

- ☐ Very reliable (available 7 days a week except in the event of pipe burst)
- ☐ largely reliable {available 4 to 5 days a week}
- ☐ Somehow reliable (available 50% of the time)
- ☐ Very unreliable (availability is irregular)

6. What are some of the *other peculiar problems* of water service delivery you know of in the Metropolis? *Please tick as many as you deem applicable*

- ☐ Demand far exceeds supply
- ☐ Poor quality
- ☐ Frequent interruptions for small periods
- ☐ Interruptions for longer periods
- ☐ Others (please specify below)

7. Who/What do you suppose as being the causes for interrupted water supply to the Metropolis?

- ☐ Inadequate funding ☐ GWCL ☐ illegal water tapings
☐ Power interruptions
☐ Others (please specify)

8. If it is GWCL'S fault, what type, as far as you know?

- ☐ Frequent pipe bursts ☐ outdated Pumps ☐ Inefficient Management
☐ Others (please specify)

F. Other Relevant Issues That Affect Water Services Delivery in the Metropolis

9. Besides the general financial constraints, could you itemize the other relevant factors that affect water services delivery? *You may tick as many as applicable.*

- ☐ High rate of urbanization far exceeding infrastructural expansion
☐ Lack of interaction between estate developers and water service providers, leading to difficulty in water demand forecasts
☐ Inadequate infrastructural requirements/equipment (pumps, valves etc.) on the part of water service provider
☐ Inefficient revenue collection efforts on the part of the GWCL or its accredited revenue collection agents
☐ illegal water tapping
☐ Others (please specify below)

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G. Extent of Interaction Among Water Users, Power Supplier (GWCL) and the City or Metropolitan/Municipal Authorities to Discuss the State of Water Services Delivery

10. Is there a formal forum or interaction with GWCL and stakeholder's/water users in the Metropolis and the Assembly where the state of water delivery is deliberated?

☐ Yes ☐ No

11. *If Yes'*, please specify the stakeholders

Stakeholders:

12. How often do such meetings take place?

☐ Weekly ☐ monthly ☐ Quarterly ☐ twice a year

☐ Annually ☐ whenever necessary

13. Do you have any experiences to share from the stakeholder forum or interactions regarding challenges and achievements?

Challenges:

Achievements:

14. If '*No*', would you recommend such a stakeholder forum or interaction to deliberate and find solutions for efficient power services delivery in the Metropolis?

☐ Yes ☐ No ☐ Not sure it would help.

H. The UN Global Compact Cities Program (UNGCCP)

The UNGCCP is a model that aims at developing innovative solutions for the numerous environmental, social and economic problems associated with urban areas *through the effective use of cross-sector partnerships between government, business and civil society*, so as to eventually alleviate poverty and meet the Millennium Development Goals (MDGs).

15. Have you heard about the UNGCCP?

☐ Yes ☐ No

16. Do you deem it appropriate for the Assembly to partner/collaborate with GWCL and other stakeholders {like Private Sector Companies, Business or Industrial Enterprises, concerned NGOs, etc.}, *IF that will ensure effective and efficient delivery of water supply services in the Metropolis?*

☐ Yes ☐ No

17. Does the mandate of the Assembly allow the Assembly to collaborate in the management of the affairs of other companies or institutions?

☐ Yes ☐ No

18. If '*No*', do you favour a *change or review* of the mandate or laws or regulations governing the Assembly to allow the Assembly to collaborate with water utility company with the aim of enhancing water services delivery in the Metropolis?

☐ Yes ☐ No

19. Should the Assembly be responsible for water delivery services within the Metropolis?

☐ Yes ☐ No

20. *If 'Yes'*, could you make suggestions on how it can be achieved?

I. Necessary Changes Needed to Allow Partnering/Collaborating with Utility Company (GWCL) and Other Stakeholders for Effective and Efficient Delivery of Water Services in the Metropolis

21. What form of changes do you envisage as necessary to facilitate the cross-sector partnership to see to efficient delivery of water services?

- ☐ Enactment of legislation or legal framework to adopt or adapt the UN Global Compact Cities Program
- ☐ Reconstitution of the Board of Directors of the water utility company (GWCL) to allow for representation from the Assembly, business and other concerned civil society groups within the Metropolis.
- ☐ Others {please specify below}

22. How best should the cross-sector partners be encouraged to contribute towards *funds mobilization* to financially resource the water utility company?

- ☐ Floating of shares or bonds in the water utility company
- ☐ Tax incentives and relief for participating business groups
- ☐ Others (please specify below)

J. Suggestions for Improvement in Water Supply in the Metropolis

24. Any suggestions for improvement in water supply to industries in the Metropolis.

Administered by:Date:

Annex 2 List of MMDAs and Contact Person(s)

List of MMDAs and Contact Person(s)

Name of Assembly	City	Position held in the Assembly
Accra Metropolitan Assembly (AMA)	Accra	Mr. Ernest Myers, Administrative Assistant
Kumasi Metropolitan Assembly (KMA)	Kumasi	MS Lucy Owusu Ansah, Metro Chief Economist
Shama Ahanta East Metropolitan Assembly (SAEMA)	Secondi-Takoradi	Mr. Clement Dandori, Metro Coordinating Director
TMA Tema Municipal Assembly (TMA) SAEMA	Terna	N/A