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40th WEDC International Conference, Loughborough, UK, 2017**LOCAL ACTION WITH INTERNATIONAL COOPERATION TO IMPROVE AND SUSTAIN WATER, SANITATION AND HYGIENE SERVICES****Challenges of developing a peri-urban water supply strategy in Ghana***Dotse F.M, Nii Odai Laryea, Christopher Sackeyfio & Gertrude Amissah Asokwah (Ghana)***PAPER 2593**

This paper discusses the efforts to fashion a strategy for peri-urban water supply in Ghana with financial support from Agence Francaise de Developpment. It posits that the institutional weakness of the Water Directorate of the erstwhile Ministry of Water Resources, Works and Housing as the policy formulation unit for the water sector created too much space for the Ghana Water Company Limited to abort the process for the successful implementation of the pilot project and the replication of an appropriate model. The paper however sees the creation of a new Ministry for Sanitation and Water Resources as an opportunity to strengthen the Water Directorate and the eventual development of an appropriate strategy for the peri-urban areas so as to minimise the problem of the missing middle.

Introduction

Ghana's national water policy contains details relating to water delivery in urban areas as well as rural communities and small towns, pursuant to which appropriate strategies have been developed for water delivery in the urban and rural areas. Notwithstanding the growing phenomenon of peri-urban settlements with inadequate safe water delivery, the only concrete proposed solutions in the policy are casual references to aspects of the issue. The proposed policy measures to address peri-urban issues are co-mingled with pro-poor issues; in effect, the national water policy lacks a dedicated and comprehensive section on peri-urban issues. (Government of Ghana, 2010).

In recognition of the lacuna in the water sector policy with respect to adequately addressing issues relating to peri-urban water supply, the Government of Ghana with the financial assistance of Agence Francaise de Developpment (AFD) decided to fashion a peri-urban water supply strategy for Ghana through the implementation of a pilot project in Berekum in the Brong- Ahafo Region under the "Rural and Peri-Urban Water and Sanitation Project in the Brong Ahafo Region." (BURGEAP, 2006)

Within the framework of the AFD-financed project, the aim of the peri-urban intervention was to design and implement the extension of water supply from the network of the Ghana Water Company Limited (GWCL) to 3 (three) peri-urban communities of Adom, Kato and Jamdede in Berekum and also build the capacity of GWCL and its stakeholders. The specific objectives of the intervention were to:

- assess the actual situation of the water supply in the 3(three) beneficiary communities of Adom, Kato and Jamdede with a view to developing appropriate technical solutions to meet the water demand;
- determine and implement pilot management models adapted on the socio-economic characteristics of the areas. Options could be direct supply of water by GWCL to a private operator, or community management etc. (BURGEAP, 2006). (Please edit for clarity)

Institutional "buy in" and support for the pilot project

Notwithstanding the over-arching policy formulation and co-ordination role of the Water Directorate (WD) of the erstwhile Ministry of Water Resources, Works and Housing (MWRWH) in the water sector and its joint fiduciary responsibility with the Ministry of Finance (MoF) and AFD in managing the resources of the

project, the officials of the WD were conspicuously absent in all project activities. This phenomenon created a void in national ownership, leadership and strategic direction for the project. The lack of responsiveness at the WD to the project was due to inadequate financial resources and expertise with the appropriate skills set. The absence of national ownership and leadership by MWRWH is a manifestation of weaknesses and paralysis of public policy-making in the Ghana civil service which have been identified by Dotse (1991) and Ayee (2000) that have unfortunately not been addressed.

The void created was filled by GWCL whose former managing director at the commencement of the project in 2010 declared his unalloyed support and commitment to the objectives of the project. As a demonstration of this support, the then managing director at the maiden meeting of the project, indicated that the objectives of the project are in tune with his personal philosophy with respect to the future direction of GWCL on distribution of water; he also intimated that it was his hope that the strategy developed for the peri-urban areas would serve as the platform to address challenges in the supply of water to these areasⁱ. Even though the former managing director of GWCL indicated his support for the project, the issue was neither discussed nor approved by the GWCL Board of Directors. In addition to the lack of approbation from the GWCL Board of Directors, it is doubtful whether the other top management of GWCL was persuaded to go along the same trajectory. The departure of the managing director, barely a year after the commencement of the project, severely affected project delivery. The support from the entire GWCL leadership would have satisfied one of the ingredients for policy design where success is ‘measured by the extent to which there is consensus and agreement that the policy is acceptable to the policy actors’ (Ayee, 2000). The need for stakeholder consultation with a view to reaching consensus is re-enforced by M. Bovens and P.’t Hart (2016), when they asserted that “the best way to avoid fiascos is to ‘open up’ policy-making processes to genuine contests of ideas.”

As part of the institutional “buy in” and support, a project steering committee was established to discuss project progress and provide required advice on project implementation. The members of the steering committee included members from GWCL but crucially without representatives from MWRWH and MoF which had sector policy formulation and fiduciary responsibilities, respectively for the project. The void created by the exclusion of these key ministries contributed immensely to the inability of the project to be anchored within the policy, institutional and regulatory framework for the water, sanitation and hygiene (WASH) sector as well as national development. Given this, the intervention could at best be described as the fulfillment of the aspirations of AFD (as financier), consultants who carried out the feasibility study for the project and the personal philosophy of the then GWCL chief executive. On account of this lacuna, the officials of GWCL including its representatives on the steering committee had space to steer the project in the direction convenient to them and at variance with the objectives of the project to fashion a strategy for water distribution in the peri-urban areas.

Establishment of management models

In concert with the objectives of the project, the consultant developed the following three management models to be piloted in the project area:

- private operator
- unit committee
- water and sanitation development board

Even though the steering committee approved the establishment and operationalization of the three management models, the client (GWCL), instructed the consultant to abort the process for the selection of a private operator due to a conflict in a previous transaction between GWCL and the private operator being considered for selection. This decision was the death knell for the introduction of innovation in the distribution of water to peri-urban areas through the involvement of the private sector. Given this, the consultant was restricted to establishing the Adom - Unit Committeeⁱⁱ and the Kato Water and Sanitation Development Boardⁱⁱⁱ in two of the beneficiary peri-urban areas. In this respect, Jamdede, the third peri-urban area was excluded from the pilot management models; GWCL decided to operationalize its traditional method of using the services of commissioned stand-pipe vendors.

The consultant, in concert with GWCL and the Berekum Municipal Assembly, identified and selected appropriate staff^{iv} for the Adom Unit Committee and the Kato WSDB to manage the systems.

To anchor the recruitment process within the local government system, all the appointments were effected by the Berekum Municipal Assembly. Given the novelty of the tasks to be performed by the members of both management models in water supply management, the consultant, in co-operation with GWCL

organized a series of training sessions on relevant topics^v for them as well as the staff recruited to manage the system.

As part of the measures to operationalize the management models, the Public Utilities Regulatory Commission (PURC) in July 2011 approved a bulk water tariff of GHC0.50^{vi}/m³ for the supply of water by GWCL to the management models, as against a retail tariff of GHC1.24/m³ to domestic consumers. Based on the approved bulk water tariff, the consultant developed financial viability schemes for both management models which showed healthy levels of profitability for the first five years. The consultant supported the Adom Unit Committee and Kato WSDB to prepare facility management plans (FMPs) for the water facilities to be managed. In addition to the leadership of the management models, these FMPs were signed by the Chief Executive of the Berekum Municipal Assembly as well as the managing director and solicitor/secretary of GWCL. On account of these developments, in September 2013 a Memorandum of Understanding (MoU) was signed between the leadership of the two management models and the managing director of GWCL^{vii} which transferred management from GWCL to them for an initial period of 7(seven) months^{viii} contrary to the period of 1 (one) year indicated in the project document.

Operationalization of the management models

As a sequel to the signing of the MoUs with GWCL, the management models managed the water facilities for an initial period of 6 (six) months with effect from October 2013 in alignment with the terms and conditions of the MoU signed. During the period, GWCL installed bulk water meters for Kato and Adom to indicate the volume and cost of the water supplied to the two respective management models. This exercise was to determine the tariffs for water supplied based on the bulk water tariff approved by the PURC.

Within the framework of the MoU, the management models, during the period, managed the sale of water at the 5 (five) and 16 (sixteen) stand pipes in Adom and Kato, respectively and collected tariffs from domestic consumers.

At the end of the initial six months for the implementation of the MoU, the consultant supported the management models for an extension of the period of pilot management of the models for an extra 6 (six) months in consonance with the objectives of the project which required that the models should be implemented for a minimum period of 1 (one) year. This request, legitimate as it was, did not find favour with the leadership of GWCL who rejected it and asked that the facilities should be handed back to the company. In effect, GWCL unilaterally decided to abrogate the entire pilot project on management models for peri-urban areas. This decision was a manifestation of the change in management philosophy by GWCL with respect to one of the key objectives of the project; it is also a further demonstration of the emasculation of the Water Directorate of the then MWRWH with respect to its policy leadership in the water sector. The response of GWCL to the request from the management models for an extension was severely opposed by the leaders of the management models who insisted that the decision of GWCL was capricious and at variance with the objectives of the project.

Given GWCL's ownership of the facilities and the weak policy role of the then MWRWH, the consultant prepared an exit strategy with a view to creating an atmosphere of harmony and constructive disengagement in the process. The key issues in the exit strategy were:

- officials of GWCL and Berekum Municipal Assembly to audit the accounts of the management models,
- cessation of involvement of both management models in the management of the water supply facilities at the end of September, 2014,
- submission of the September, 2014 tariff for water supplied to both management models by 5th October 2014,
- rendering of accounts to GWCL by both management models by mid - October, 2014,
- guarantee of the Berekum Municipal Assembly to pay all outstanding amounts owed by the 2 management models in respect of water supplied to them as part of the project.

Notwithstanding these decisions, the leadership of the management models did not cease to operate at the end of September, 2014 but continued to do so for an extra month up to the end of October 2014.

As indicated supra, the decision of GWCL to abrogate the implementation of the pilot management models and "take over" of the facilities was not implemented outright; the management models continued to manage the water facilities for 6 (six) extra months (the very period for which the extension was sought). Cumulatively, the management models managed the water facilities for a period of 13 (thirteen) months with varying financial results which are presented below:

GWCL bill issued (GHC)	Amount paid to GWCL (GHC)	Outstanding amount to GWCL (GHC)
11,203.08	6,030.95	5,172.13

Source: GWCL District Office, Berekum

GWCL bill issued (GHC)	Amount paid to GWCL (GHC)	Outstanding amount to GWCL (GHC)
65,704.70	55,477.75	10,226.95

Source: GWCL District Office, Berekum

An analysis of the payments effected by both management models indicated that during the first 6 (six) months of operation of the water facilities, the Adom Unit Committee and Kato WSDB settled 61.15% and 63.84%, respectively, of the bills issued by GWCL. At the end of the 13-month period, while the payments by the Adom Unit Committee declined to 53.83%, the Kato WSDB's payment increased to 84.43%. These rates are lower than GWCL's 2014 national bill collection rate of 91.13%^x; however, we are of the opinion that given time and enhanced capacity building, the two models would have improved upon the payment of their tariffs to GWCL.

Conclusion

Even though the project's objective to develop a peri-urban water supply project through the implementation of pilot management models was laudable, its policy dimension was not attained due to the inability of the leadership of GWCL to secure 'buy in' from management and the Board of Directors which would have resulted in the incorporation of the design of the project into its corporate strategy. The weak policy leadership from MWRWH provided space to GWCL to exclude the involvement of the private sector in the implementation of the management models and eventually abrogate the project. This phenomenon is an indication of the need to develop consensus by including key stakeholders in the design of policy with a view to attaining success.

On account of the abrogation of the project, it was unable at the end of implementation to recommend an appropriate management model for replication in the other parts of the country. A conspicuous effect of the inability to develop the strategy is the continued marginalisation of peri-urban areas in the supply and distribution of water, particularly by private operators, from GWCL sources.

It is our expectation that the establishment in 2017 of the new Ministry for Sanitation and Water Resources (MSWR) would result in a strengthened Water Directorate with adequate financial resources and high quality staff who are "strong, enlightened, dedicated, disciplined and well-educated"^{xi} with a clear focus on policy issues and an effective oversight of the water sector institutions which operate under the aegis of the ministry. In this vein, we anticipate that the ministry would champion the dialogue for the design and development of a strategy for the supply of water to the peri-urban areas in fulfilment of the objectives of the national water policy and the strategic sector development plan. This done, the needs of the missing middle with respect to water supply in Ghana will be addressed through policy intervention.

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Note/s

- ⁱ Final Report on the “Development of a Peri-Urban Water Supply Strategy Through the implementation of a Pilot Project in Berekum in the Brong Ahafo Region” December 2004. Prepared by BURGEAP/IGIP/MAPLE CONSULT
- ⁱⁱ A Unit Committee, established by Local Government (Urban, Zonal and Town Councils and Unit Committees) (Establishment) Instrument 2010 (Legislative Instrument 1967) is the lowest level of governance in Ghana’s decentralization programme
- ⁱⁱⁱ The WSDB designed by the Community Water and Sanitation Agency is the community management model for the management of small town systems; it is now known as the Water and Sanitation Team (WSMT)
- ^{iv} These were (i) water supply manager, (ii) accounts clerk/administrative assistant, (iv) revenue collector (v) caretaker/meter readers (vi) vendors
- ^v The key topics included (i) tariff setting, budgeting and basic book keeping (ii) operation and maintenance, (iii) customer care (iv) preparation of facility management plans (v) communication and inter –personal skills (vi) principles of community management
- ^{vi} GHC1.5=\$1
- ^{vii} The Chief Executive of the Berekum Municipal Assembly and the Regional Chief Manager of GWCL, signed as witnesses
- ^{viii} As a result of delays in the implementation of the MoU, the actual period of its implementation was 6 (six) months
- ^{ix} The average exchange rate for the period was GHC2.78=\$1
- ^x As determined by GWCL.
- ^{xi} These words which describe some of the characteristics of policy makers is attributed to Yehzekel Dror, in his work “The Capacity to Govern” as quoted by Mark Bovens and Paul ‘t Hart 2016. “Revisiting the study of policy failures” Journal of European Public Policy, p 11
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