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ACCESS TO SANITATION AND SAFE WATER:
GLOBAL PARTNERSHIPS AND LOCAL ACTIONS

Enhancing community-driven initiatives in urban water supply in Ghana

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Despite the notable contributions of community-driven initiatives to improve access to urban water supply in Ghana, no conscious effort has been made to harness the full potential of their involvement in improving urban water supply. Drawing on ongoing research on improving urban water and sanitation provision through information and action driven locally, this paper examines community-driven initiatives towards improve access to water supply in urban Ghana. The discussions reveals that while the role of community-based water providers remain unrecognised in the absence of support from governments and financial institutions, they are vital to millions of poor urban households who cannot access water through the formal network. The paper calls for promoting and supporting community-driven initiatives so that in the absence of universal pipe coverage, they can operate efficiently under a light regulatory regime that ensures fair prices and a viable service delivery.

Introduction

One of the most defining demographic characteristics of the late 20th and early 21st centuries has been the rapid rate of urbanization, especially in developing countries. As with many African countries, Ghana is rapidly urbanizing. In 1950 only 15.4 percent of Ghanaians were urban dwellers. This figure increased to 23.3 percent by 1960, 31.2 percent in 1980 and 43.9 percent by the year 2000 (UNPD, 2003). Alongside the current rate of urban growth is the deepening and widening exclusion and marginalization of the poorest within urban centers themselves. It is estimated that at least 1.9 million urban dwellers in Ghana can be classified as poor (Ghana, 2002). At the same time, the water needs in urban areas, especially in urban slums or unplanned informal settlements are expanding exponentially. Consequently, only 36 percent of Ghana's urban households have pipe borne water in their dwellings or compounds (Ghana Statistical Service, 2005).

One of the main problems in Ghana's urban water supply provision is the inability of the public sector to deliver and maintain basic infrastructure services. Consequently, the government has taken tentative steps towards privatizing state assets or at least increasing private sector involvement in urban water provision. While private participation in water supply services is expected to bring in new investment capital, management and organizational skills, and technical know-how, criticisms are often labeled against private utilities for being bias towards meeting the demands of upper and middle income groups and for not being responsive to ensure equality of access to the service for all segments of the population (**Kalyan and Kakebeeke, 1995)**. The effects of these are most severely felt in low-income urban areas which often remain outside the reach of basic infrastructure services. Yet, what is often overlooked is the fact that low-income households can afford and are willing to pay for water services, and often spend a much higher proportion of their income on water, a clear indication of their readiness to participate financially to water provision (Whittington et al., 1992). The prevailing sagacity has also given rise to parallel economies – the formal water economy based on a municipal supply system and the informal water economy serviced mainly by community-based water vendors (**Kalyan and Kakebeeke, 1995)**.

Interventions to improve the situation of people living in low-income areas have gained importance within the development arena particularly in the context of the Millennium Development Goals (MDGs). However, it is highly unlikely that the country will come close to reaching the MDGs targets. According to the World Bank's Country Assessment Report (Ghana, 2002), to upgrade basic infrastructure in the urban water and sanitation sectors would require an investment of approximately US$75 million at today's costs, and the investment required would equate to about US$80 per capita for the current population. The intervention of

civil society, NGOs and CBOs to complement government's efforts at increasing access to water and sanitation services in urban areas cannot therefore be over emphasized. To date, most attention in discussions on private sector participation and public-private partnerships has focused on the contribution of formal private enterprises and ignored the role of community-based water providers which are the major sources of water supply in low-income urban areas. In this paper, we examine how community-based water providers can be supported to complement government's efforts at improving access to adequate water supply in low-income urban areas of Ghana. The aim is to draw attention to the important role of community-based water providers in improving access to water supply for the urban poor.

Methodology

The paper draws on ongoing research which focuses on improving urban water and sanitation provision through information and action driven locally. The study is aimed at supporting, documenting and sharing information about innovative water and sanitation initiatives developed by local organizations. The information presented in this paper is based on the experiences of three low-income urban communities – Old Fadama and Sukura, from the Accra Metropolitan Area, and New Takoradi in the Shaema Ahanta East Metropolitan Area from the Western Region. Focus group discussions and interviews were conducted among community-based water providers and opinion leaders. Information gathered from these respondents includes mode of operations, sources of capital, benefits to households, bottlenecks in the operations and prospects of community-driven initiatives in water supply. Additional consultations were held with officials of the state-owned Ghana Water Company Limited (GWCL) to ascertain the level of recognition accorded to community-based water providers.

Significance of community-based water providers in urban Ghana

There are many initiatives to improve water supply in low-income urban communities in Ghana today. However, the most important of these is the provision of services by community-based water vendors. There is a whole range of different types of water vendors ranging from households sharing a private house connection to completely autonomous community-based systems. Responses from water vendors indicate the neglect authorities have for low-income settlements as the major motivating factor for acquiring water first for personal/family/business use and later vending due to pressure from those who do not have their own pipe connections. Vendors got pipe connections by directly contacting Ghana Water Company Limited (GWCL) or its intermediaries. In times of water supply shortages from GWCL, a few vendors obtain supplies from private tanker operators. These vendors store water in polythene tanks or concrete erected ponds. Water is sold to customers, mostly households, on pay-as-you-use basis through the bucket system or, in a few instances, using jerry cans. In many low-income communities water vendors operate in neighbourhoods, as a water vendor can be found at about an average of 10 minutes walking time. Currently, there is no policy framework guiding the operations of water vendors in Ghana, as the sector has not been given the needed attention it deserves by policy makers. Also the activities of water vendors are not regulated so there is no standardization in their operations. For instance vendors fix their own prices, thus the price of a 34 litre bucket of water is different from one community to the other ranging between GH¢0.05 and GH¢0.12.

Residents of deprived urban communities depend on water vendors for several reasons. The willingness of a household to invest in a pipe connection depends directly on the security of tenure of the household. A household which is unsure of its tenure will continue to pay to water vendors to meet its daily water needs. Secondly, households need a higher level of reliability in water supply and vended water is usually quite a reliable source than direct supply from the water company. Additionally, payment of huge connection fees often deters poor households from obtaining their own pipe connections.

On the negative side, the provision of water by vendors is expensive, irrespective of whether they obtain water from GWCL or tanker supplies, as it is generally the case that households served by vendors pay higher charges for water than those directly connected to the piped system (Benneh et al., 1993). Water vendors cannot bring down costs and improve supply for two reasons. First, water vendors alleged having to pay bribes to officials of the water company or their intermediaries to get connected to the network, a cost they pass on to their customers. Secondly, the block tariff system operated by the water company makes water vendors pay high tariffs as a result of high rates of consumption, with costs passed on to consumers. Beyond price considerations, water from vendors has been linked to health problems resulting from contamination (Benneh et al., 1993; Osumanu, 2007). One of the major obstacles to effective service delivery by water vendors is the lack of ready access to institutional finance. Most vendors have no track record of loan acquisition and lack collateral.

One of the positive features of water vending is that it furnishes a valuable service for households in urban areas with no access to pipe connections. Again, it provides a significant saving of time for women and children compared to fetching water from other available sources. Other positive features of water vending as an informal activity concern its job creation impact. In Old Fadama and New Takoradi, for instance, there are 135 and 79 water vendors respectively with each vendor employing at least two people as caretakers and cleaners. Finally, the simple technologies of informal water vending systems are easily and readily maintained on a local basis.

Financing community-based water providers in low-income urban areas

Part of the solutions to urban water supply in low-income areas broadly lies in shifting the incentives so that community-based water providers are encouraged to deliver appropriate services. Such incentives will arise from fiscal and financial as well as regulatory policies which make water vendors attractive to a utility or which make local governments to recognise water vendors and link them to GWCL. Local governments can intervene effectively by registering and regulating such service providers. Once they are known and officially recognized, the water company can ensure that tariff levels benefit them by selecting appropriate pricing systems, such as the increasing block tariff or uniform volumetric charge. This would bring down costs of water for poor households and vendors can afford to invest in improving efficiency. Mitigating or removing connection fees for individuals acquiring a pipe connection for vending purposes can even be a better and more pro-poor tariff strategy since the poor are overwhelmingly represented by water vendors.

The rate of investment in the water vending sector in urban areas can be enhanced by the development of innovative financial institutions to serve a sector which existing financial institutions does not consider profitable. Such institutions can be owned and operated by private voluntary organizations, individuals or private companies, communities, or even local governments, or any such recognized and trusted associations who have an interest in ensuring that vendors are properly regulated to protect the interests of both households and loan providers without imposing high transaction and regulation costs. Central to the establishment of innovative financing is the ability to recover cost to sustain and increase the supply of credit for service providers. This can be achieved by supplying small short-to-medium-term loans (six months to three years) at interest rates attractive to vendors, and covering the cost of funds, administrative and labour costs, loan-loss allowances, a margin for inflation, and any return on capital the owner requires (Varley, 1995). Recovering loan costs through the service fee is much feasible given the fact that low-income urban residents are generally willing and able to pay for water supply. Even to the extent that there is a relationship between improved access to water supply and a reduction in the prevalence of environmental illnesses, there is also a potential source of cash, through reduced expenditures on health care and increased earnings through a reduction in days lost by illness, to pay for water for borrowers to repay loans.

Informal financial institutions, such as rotating savings, have already demonstrated their effectiveness as a means of economic empowerment in many low-income communities in Ghana. This enthusiasm for micro-enterprise lending stems from a growing awareness of the plentiful supply of resourceful persons among the poor, and from abundant evidence that they are not a bad credit risk. While most innovations adopting uncomplicated financial mechanisms have taken place in recent years, one form of less-complex financial organization which has a long track record of success in Ghana is the credit union. The foundations of a credit union are customer ownership and the election of board officers by one member one vote. Loans are generally small and access to credit often determined by savings/share contributions. Such arrangements tend to make union operations more transparent with both democratic control of the board and the existence of established and easily auditable financial management systems (Varley, 1995).

Conclusion

It is important to recognize that the dynamics of access to water supply in urban Ghana show a neglect of the water needs of low-income communities and households. Indeed, the theatre of lack of access to potable water supply is shifting focus to the urban centers due to rapid urbanization. Therefore policies designed to improve the quality of life of the general citizenry must begin to recognize this reality and efforts made to redesign and package development programmes in the light of the complexities in the urban terrain. Additionally, water supply intervention programmes must begin to recognize community-driven initiatives to challenge communities' creativity and capabilities to take control of the change processes.

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