

## Fact Sheet

This factsheet describes the Management Model of WSDB Management with Private Sector Participation (PSP), which is increasingly gaining popularity among policy makers for the management of complex Small Town Water Systems in Ghana. It describes the process of introducing the Model in Tumu, located in one of the three poorest regions of Ghana, and draws lessons for the application of the Model.

### Introduction

Tumu, a small town with about 12,000 inhabitants in the Sissala East District in the Upper East Region, has a Water System. This Small Town Water System in Tumu was constructed within the 1950s, by a Canadian International Development Agency (CIDA) Water Project Support. It was initially managed by the then Ghana Water and Sewerage Corporation, until it was transferred to the community in the early 1990s. By the close of 2006, the Water System in Tumu, was in crises. There were no funds. This was because the System was not monitored and many customers were not metered. There were many illegal connections, with pipe bursts and leakages. Electricity bills had accumulated and were in arrears to the tune of \$5,700, while salary arrears for operating staff averaged six months. The community had grown over the time, which requires extension of the piped network. However, the capital required for extension and rehabilitation of the System was not forthcoming.

As a response to the ineffective management and administration of Water Service Delivery in the town, Private Sector Participation (PSP) in the management of the Small Town Water Supply System has been introduced. This was in line with the Community Water and Sanitation Agency's (CWSA) guidelines, which state that, the Private Sector should be involved in the management of Water Supply Systems of Small Towns, servicing more than 15,000 people. The Upper West Regional Water and Sanitation Team (RWST) of CWSA, initiated the process of involving the private sector. In line with the public procurement processes, the private Company, TBL Resources Limited was selected and a contract signed on 29<sup>th</sup> January, 2008. The actual operations started in April, 2008. Rehabilitation of the System was completed in December 2008.

### Process of model introduction

In recognition of the sensitive nature of the introduction of the

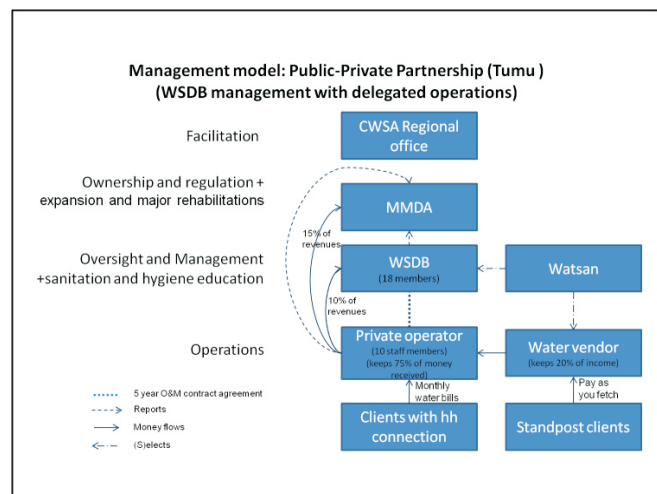
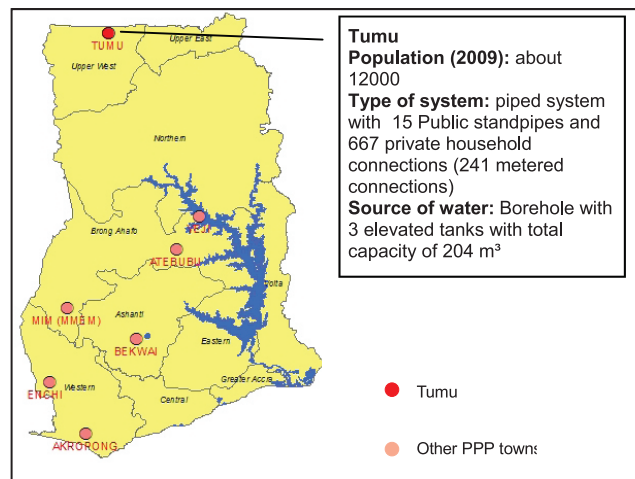


Figure 1: Roles and responsibilities of stakeholders



Private Sector Participation in the Small Town Water Supply, the RWST started participatory processes, involving consultations and dialogue. Strategically, RWST shared relevant information among stakeholders to prepare their minds. These consultations and dialogues were aimed at the Water and Sanitation Development Board (WSDB) and the Community, to gradually accept and embrace the Management Model. A tour to enhance a successful Management of the System and to find out the problems which the System entails was organized for the DWST, WSDB and RWST to the Bekwai Water System. This gave the stakeholders the opportunity to find out what works and what does not and why things are as they stand. It successfully generated interest and gave stakeholders insight into their perceived roles under the Model. The enthusiasm which the Regional and District policy makers had for the intervention, gave CWSA the courage and support to go ahead with the introduction of the Management Model.

By this enthusiasm at both the Regional and the District levels, consultations and sensitisation meetings were held with community level stakeholders. These meetings discussed the Model and prepared the stakeholders to take up their roles under this new Model, which include attending meetings, making their voices heard and reporting of pipe bursts and illegal connections incidences. The entire processes were undertaken and driven by a genuine motivation to find lasting solutions to problems affecting the Water System. This won the confidence of all stakeholders at policy and community levels and ensured the successful introduction of the Model in a deprived area, as the Sissala East District.

### The Model

The Management Model consists of partnership among TBL Resources Limited (a private operator), WSDB (a community based body) and the Sissala East District Assembly - SEDA (Local Government). The Partnership has been formalised through a five year Management Contract, which is renewable

for two years. The private operator is responsible for the operation and maintenance of the Water System, while the WSDB has a governing role, including sanitation and hygiene promotion. The SEDA remains the legal owner of the Water System and it is responsible for the expansion and major rehabilitations. Under the Partnership, revenue generated is to be shared among the partners in the ratio of 75:15:10 for the operator, the SEDA and the WSDB respectively. The operator is to build local staff capacity for the running of the system, by using mostly local staff, so that the community will have



Figure 2: Public Standpost in Tumu

adequate capacity for operation and maintenance by the end of the contract period. Capacity for operation and maintenance, revenue generation, office equipment and logistics are also to be improved by the operator. The operator should reduce water loss to the Community Water and Sanitation Agency (CWSA) standard of 10%.

### Reality

In the early 1990s, with the rehabilitation and the transfer of the System from GWSC to the community, a Water and Sanitation Development Board (WSDB) was established. The WSDB members were eighteen in all and were made up of representatives of three electoral areas of the town, the two second cycle institutions, which take their water supply from

the Water System and representatives of market women. Women representation constituted 20% of the WSDB. Under the WSDB is the Executive Committee - consisting of a Board Chairman and a Vice, Board Secretary and a Treasurer, who are elected among the representatives that make up the WSDB. WSDB members provide voluntary services and received only sitting allowances.

The operator of the System has a staff strength of ten, including a System's Administrator, 2 pump attendants, 1 plumber, 2 meter readers, 1 revenue collector, 1 office assistant, 2 security personnel. The Company relies on casual labourers from time to time, as and when necessary. The operation and the maintenance capacity of the Systems have been improved through:

- re-fresher training in meter readings and data collection for meter readers
- fault detection on panels and persons to contact for immediate help for pump operators,
- cash management using computer based system for revenue collectors
- record taking for vendors organised on a continuing basis has improved.

Since the private operator took over the operations and management of the System in April 2008, revenue has more than doubled and it is far above the cost of operations. Average monthly cost of running the System ranges between H¢1500 and GH¢2500, while average revenue ranges between GH¢1659.78 and GH¢ 2,655.21. Water production increased from 7000m<sup>3</sup> in April 2008 to 9000m<sup>3</sup> in February 2009. Bill recovery rate stands at 85% in February 2009. However, unaccounted water of 50% is still above the acceptable limits, due mainly to many non metered customers (64%).

### Applicability of the model and Lessons Learned

The Model is recommended for complex systems, that is, systems serving populations above fifteen thousand. However, for the Model to effectively work, there is the need for strengthened support. In addition, there is a need for the development of local private sector capacity to take up the role as operators, even if from the scratch .

Study tours can forestall successes and streamline negative tendencies. These tours can help good decision making and bring confidence across board.

**Key Reference:** The factsheet is based on a case study, written by Bernard A. A. Akanbang under the TPP project. The full report can be found on [www.ghana.watsan.net/page/777](http://www.ghana.watsan.net/page/777).

This Fact Sheet has been produced under the Tripartite Partnership (TPP) project in collaboration with the RCN Ghana Secretariat. The Resource Centre Network (RCN) Ghana is an institutional partnership of organizations who have committed themselves to improve WASH sector learning, through knowledge development, knowledge management and dissemination. For more information, please visit [www.ghana.watsan.net](http://www.ghana.watsan.net). The TPP project seeks to tackle the core problem of weak sector capacity for planning and delivery of WASH services in poor urban areas through the demonstration of new approaches to pro-poor WASH service delivery in three pilot areas involving tripartite partnerships of NGO, public and private sector. For more information, please visit <http://www.ghana.watsan.net/page/687>