



PRESS STATEMENT

For immediate release - 30th July 2015

GWCL should immediately withdraw “Pay before drinking” prepaid water policy... nationwide resistance imminent

The Water Citizens Network of Ghana wishes to state its disappointment to a reckless and an insensitive statement reported by the Ghanaian Chronicle to have been made by the Acting Managing Director of the Ghana Water Company Limited to the effect that from August 2015 access to water for the population “is going to be pay and consume” instead of “consume and pay later”. We are alarmed by the weight and consequence of the statement which completely ignores the human rights context of water provision and the core responsibility of the state to use tax contributions of citizens to support the provision of basic essential services including water. We call on civil society organizations committed to the principle of the human right to life and the inviolability of the human life to condemn the statement of the Managing Director and to join the call for a rescission of the “pay before drinking” prepaid water policy.

We do acknowledge and are sensitive to the challenges facing GWCL at ensuring sustainable delivery of quality and universally accessible water to consumers. However, introduction of prepaid meters is not a sustainable means of ensuring access for all, rich and poor. Our position against privatization was to guide against reckless market policies such as this which ignores human rights concerns in the pursuit of profit. If the World Bank, who we believe are behind this policy still aspires for privatization of water through prepaid metering, we register our resolve and commitment to stand resolutely for the human right to water and against prepaid water meters.

We continue to hold dear to the principle of public control of water production and delivery, based on the conviction that water is a unique commodity, necessary to the sustenance of life and therefore its access should not be constrained by cost or other barriers. Our belief in this principle remains unchanged. We therefore pledge our unreserved commitment of critical support for the GWCL to achieve success as other publicly managed utilities have done in other countries. Such support includes raising the red flag on issues that have the potential of undermining the company’s mandate and ability to deliver affordable and accessible water to all Ghanaians.

The intended pre-paid metering for water in the view of Network is a wrong answer to a mistaken and incorrectly defined problem. Besides, the meters are targeted at the poor to deprive them of their human right to water.

What is the Problem?

The biggest challenge of the Ghana Water Company Limited presently relates to very high levels of non-revenue water. Non-revenue water is the difference between billed authorised



consumption and the volume of water that is put into the water system for supply. Non-revenue water consists of authorised unbilled metered consumption, authorised unbilled non-metered consumptionⁱ, unauthorised consumption and metering inaccuracies. The rest are leakages in transmission mains, leakages on service connections before reaching meters of water users as well as leakages and overflows at GWCL's storage tanks.

The 2010 technical audit report of the company is awash with the real reasons that account for the high levels of non-revenue water which the proposed prepaid metering do not address. The prepaid metering with its attendant huge threat to the human right to water only addresses the issue of revenue collection of billed metered consumption, an area which AVRL claimed to have improved. Indeed in 2011 AVRL reported that "with the majority of customers still receiving an irregular supply, it is quite an achievement to maintain collection levels above 90%"ⁱⁱ (AVRL was a Dutch company then in charge of operations at GWCL under a management contract, their contract was discontinued in 2011). The prepaid metering targets revenue collection but does not address the core problems contributing to high water losses.

The Technical Audit shows that even for authorised metered consumption, GWCL was under or over billing due to long periods of non-calibration of meters. For authorized non-metered consumption where water users without meters are allowed access based on observed patterns of consumption, the auditors found that billing of users were also inaccurate due to long periods without reassessments of the estimated bills. Non replacement of broken down meters have contributed to an increase in the rate of authorised non-metered users.

Clearly if these constitute part of the challenges in addressing the issue of water losses then a prepaid solution is far-fetched and a lazy rights-compromising approach which must immediately be discontinued by GWCL. It is important to enquire from the GWCL what actions it had taken on some of the observations of the technical audit which are contributing to high water losses. The managers of GWCL must roll up their sleeves and set out to work and not contemplate the idea of swiveling whilst based on the threat of thirst they push cost of the high levels of water losses onto citizens, who would have no chance with the vending machines. The history of GWCL metering abilities has also not been good and cannot be trusted now with automation.

Why we are against Pre-paid Metering

Prepaid metering should not be countenanced because it is a cruel means of managing demand where those who are unable to afford are simply cut off to increase access to those with the economic means. The experience of other countries show that prepaid metering deepens inequalities as poor areas and not wealthy areas are mostly targeted for cost recovery, forcing women and children into the role of "carriers" of water and eroding gains made in education and gender equality.



Pre-paid Metering Experiences Elsewhere

In South Africa where pre-paid meters were used, the experience has been that “the new gadgets work like pay-as-you-go cell phones, only instead of having a dead phone when you run out of money, you have dead people, sickened by drinking cholera-infested water”ⁱⁱⁱ.

In Uganda where this policy is also being pursued only 65%^{iv} of the population have access to clean and safe pipe water. The Ugandan example is important because under a Water Operators partnership brokered by UN Habitat, Uganda is presently mentoring Ghana to reduce non-revenue water. Uganda used the pre-paid metering and has possibly recommended this to Ghana in the WOPs partnership. However, it must be noted that whereas Ghana is not performing well in terms of non-revenue water, it has performed better than Uganda in the area of access to water. Access to water currently stands at more than 80%^v in Ghana.

What should be done?

It is important for the GWCL to focus on the real issues accounting for the high levels of non revenue water namely metering inaccuracies, increasing levels of authorised non-metered billings, unauthorised consumption as well as losses in production and transmission and huge indebtedness of public institutions. The main challenges are unresolved because of limited investment to GWCL for rehabilitation and replacements. Citizens particularly the poor should not be made to pay for the neglect and least prioritised needs of the GWCL in resource allocation.

The Government through the Ministry of Water Resources, Works and Housing should work to ensure that the needed investments for the rehabilitation or replacements of worn-out facilities are made available. Particularly for the repairs, replacements and calibrations of existing meters as well as installation of new ones where they do not exist.

GWCL must find means for offering consumers with a stress-free access to payment points by ensuring close proximity of payment points to consumers as well as exploring the viability of internet and phone based payment systems.

Citizens must come together to request for increased resource allocations to the GWCL and at the same time resist this policy, usually introduced to prepare the way for privatisation. Water being so essential to human survival, this policy only succeeds in increasing the profit potential

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of the utility and its attractiveness for privatisation. Pre-paid metering and privatisation are both dangerous to the human right to water.

Thank you,

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ⁱ For example in 2010 the percentage of metered water to total water production in the Accra-Tema Metropolitan Area was 29.3% whilst that for non-metered water was 13.9%. In Kumasi it was 32.5% and 32.2% respectively. Nkawkaw in 2010 had the highest percentage of authorized non-metered water to total water production which stood at 41%. The issue of authorized non-metered consumption remains a big challenge that must be resolved by GWCL.

ⁱⁱ Management Contract 2006-2011 for urban water supply in Ghana A Partnership – in and for – development (AVRL 2011)

ⁱⁱⁱ http://www.tni.org/archives/letelier-docs_290903

^{iv} <http://water.org/country/uganda/>

^v <http://water.org/country/ghana/>