



Local authorities, community and Private Operators Partnerships in small towns water service delivery in Ghana

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ABSTRACT

This paper examines the performance of partnerships between local authorities (District Assemblies) and private operators (POs) in the community managed small towns' water service delivery in Ghana. Since 2002, partnerships in the form of management contracts are increasing especially for towns with more than 10,000 inhabitants but there has been no systematic analysis of the partnerships. Using a case study approach based on five selected community managed piped systems; three under private operator partnerships and two under direct Community Ownership and Management as study controls, the study focused on the partnership development, partnership relationship between stakeholders and the outcome of the service. The study revealed that the partnership emerged as a result of the relatively large communities and/or the complexity of the systems. Water and Sanitation Development Boards (WSDBs) are community representatives with the responsibility of overseeing the management contracts with private operators or directly managing the water systems through hired operating staff. With time the management contracts have improved as some earlier defects have been corrected in subsequent contracts. Yet some contracts suffered post-contract opportunism, weak monitoring and regulation by the District Assembly (DA), political interference in tariffs setting and removal of WSDBs members after change of government. Conflicts between the DAs and the Water and Sanitation Development Boards (WSDBs) were common resulting in direct management by the District Assembly. The success or failure of the partnership is linked to degree of conflict resolution amongst the stakeholders as well as external factors. The study also discusses the outcome of the partnerships in relation to the quality of water service delivered.

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1. Background

This section provides an introduction to the study and describes the small towns' water sectors highlighting the role of the private operators.

1.1. Introduction

The apparent failure of governments and public agencies to supply adequate water has led to the promotion of private sector involvement to improve access to sustainable water services. The core element of private sector involvement is often formal arrangement or partnership that the actors conclude with one another. The partnership can be described as a contractual relationship between public sector agency and private sector (often termed Public Private Partnership), where resources and risk are shared for the purpose of delivering a public service or providing service infrastructure. The number of Public Private Partnerships in devel-

oping countries has been relatively low especially in the Sub-Saharan countries (Li and Akintoye, 2003).

Various authors measured partnership with a number of different dimensions, with the assessment of partnership based on contractual, political, legal, financial, socio-cultural and technical dimensions. These dimensions are considered to be the main factors that influence partnership delivery. Brinkerhoff (2002) assessed partnership contractual relationships based on trust, efficient reporting mechanism and confidence instilled in the signing of contracts. According to Brinkerhoff (2002), there are bound to be conflicts or power relation if one or more partners are seen to be dominating or interfering with agreed norms. Hasting (1999) focused on power relation in partnerships and how it affects the partnership. Caplan et al. (2007) examined partnerships in relation to accountability, transparency and compliance. In the case of Mcquaid (1994) the focus of partnership was on the mandates, including aims and objectives of the partnership arrangement, the arrangement within the partnership, and the various performance outcomes.

According to Akintoye et al. (2003), the private sector's involvement is influenced by the political conditions, which include changes in the public sector structures. An effective private sector

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needs a willing and strong public sector policy-making (DANIDA, 2000). The legal conditions normally come about as a result of the introduction of new legislation, regulations and policies (Akintoye et al., 2003). The consequences of some legal conditions could affect the transactions between parties in partnership and also affect the performance of their obligations (ibid.).

In the case of socio-cultural factors, DANIDA (2000) indicates that insufficient consideration of cultural and social factors in programme planning and implementation impedes people's participation. Community interference ranges from protests to sabotage and could cause delays in production and interruption of the smooth running of the water service delivery process (Acutt et al., 2001). This can result in heavy cost implications on the part of the operator. Good community relations are vital for a public private partnership process.

According to Akintoye et al. (2003), technical factors are about the effective and efficient functioning of equipment, materials, processes, etc. The technology and condition of the facility influences the effective functioning of the system. When water supply facilities are in a bad state, it becomes virtually impossible even with the best management team to improve the performance (e.g. reduction in unaccounted for water and increased production). The system should be in good condition before being handed over to any operating team.

The dimensions of partnerships used by these authors could be put into two groups: the core factors of the partnership relationships and the factors which are external to the parties. The core factors of the partnership are the nature of the contract, contractual and power relation, accountability for results and performance outcome. The external dimensions such as political, national legislation, and socio-cultural also influence the performance of the public or the private partner in the partnership. This paper attempts to explore the public private partnership in small towns' piped water supply delivery using these dimensions.

Recently, the focus of the private sector has turned towards small town water supply, which has often been neglected. This process started recently in Ghana when the central government decentralised water service delivery to the Municipal/District Assemblies for rural and small towns. The role of private operators has been in the management of the small towns systems, particularly those serving relatively big populations (more than 10,000) or those that have relatively complex systems.

The partnership between private operators (POs) and the District Assemblies (DAs) for small towns water services have been increasing since 2002. A systematic analysis is needed to identify whether the ongoing partnerships between POs and DAs are producing the intended results; whether there has been improved service delivery and partnership relationship; and whether there are good aspects that can be replicated to improve the partnerships. This paper therefore examines the performance of the on-going Private Operators Partnership arrangement for small towns' water service delivery in Ghana. The study focused on assessing how the partnerships have evolved over time, partnership relationship (drivers and nature of partnership, trust, management support, conflict, reporting) and performance of the water systems.

1.2. Small towns water sector in Ghana

Prior to 1994, both rural and urban water service delivery were the responsibility of the Ghana Water and Sewerage Corporation (GWSC), the formal government water utility. GWSC was later transformed into Ghana Water Company Limited (GWCL) with responsibility for urban water supply. As part of the government decentralisation process and in line with lessons from the implementation of rural water supply in Ghana, the rural and small towns water supply were decentralised to the Municipal/District

Assemblies. The legal backing for the decentralisation process is the Local Government Act 462, 1993 (GOG, 1993) which gives the District Assemblies the responsibility for infrastructure provision including water supply.

In 1997 a Memorandum of Understanding (MOU) was signed for Ghana Water Company Limited to transfer small towns' piped water systems to District Assemblies for Community Ownership Management (COM). Small town water services under the Community Ownership Management approach started in 1998 with the transfer of over 100 systems from Ghana Water Company Limited to the Municipal and District Assemblies and the construction of new systems by the District Assemblies. The delivery of water service from the small towns system under COM faced challenges particularly for the relatively big or technically complex systems with conventional treatment (Nyarko, 2008). These challenges were related to the lack of capacity of the local operators, lack of effective accountability relationships and mechanisms between the actors responsible for water service delivery (PPIAF/CWSA, 2001).

The delivery of water services in the decentralised system is based on the National Community Water and Sanitation Programme (NCWSP) which has the following objectives:

- To provide basic water and sanitation services to communities that will contribute towards the capital cost of the water facilities and pay the normal operations, maintenance and repair cost of their facilities.
- To ensure sustainability of these facilities through Community Ownership and Management, communities decision making in their design, active involvement of women at all stages in the project, private sector provision of goods and services, and public sector promotion and support.
- To maximise health benefits by integrating water sanitation and hygiene education.

Under the Community Ownership and Management approach, communities select their representatives from water and sanitation committees representing electoral areas in the communities to form the Water and Sanitation Development Boards (WSDBs) who are responsible for the management of the water system. The Community Ownership and Management arrangement instils a sense of community ownership and also gives the WSDBs a major role in the management of the system. Community management is legally supported by section 15 of the Local Government Act, 462 that allows the delegation of functions other than legislative (GOG, 1993). However, the delegated bodies do not have power to legislate, levy rates or borrow money. The WSDB, has the authority, subject to the approval of the District Assemblies, for all decisions on the small town water supply. The WSDB exercises strategic control of the operations, hires (recruits) and fires the operating team and provides oversight on the activities of the operating team. The WSDB sets the water tariff in consultation with the community members for the District Assembly's approval. The service provider (WSDB and the operating team) is allowed to terminate water supply to bill defaulters.

The Ministry of Local Government and Rural Development (MLGRD) sets the policy framework for the development of local communities and oversees the performance of District Assemblies (DAs). The national agency, Community Water and Sanitation Agency (CWSA) provides standards, guidelines and strategies for the smooth delivery of services. CWSA is a facilitator for the provision of water services to small communities and small towns in the rural areas in Ghana. CWSA has guidelines for tariff setting, operations and maintenance, and design of water systems.

The Local Authority partnership with the private sector, which combines the strength of community management with private sector expertise and resources, was advocated as a viable option

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