



THE FALL OF PREPAID WATER METERS IN GHANA



AN ACCOUNT OF CIVIL SOCIETY ORGANIZATIONS' CAMPAIGN FOR HUMAN RIGHT TO WATER

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GRASS ROOTS ALTERNATIVES DEVELOPMENT CENTRE



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Introduction

Since 2012, Ghana has been going through severe economic stress, which has turned the imposition of pre-paid water meters more into a question of “when” rather than “if.” Underlining this fear are three issues. The first relates to high deficits in national budgets that have limited the ability of Government to provide the required subventions to utility agencies, not to mention accumulated and unpaid debts owed to the agencies by Government. At the close of 2012, the country recorded a deficit of \$4.6 billion, or about 12.1% of GDP.¹ The second issue, which is a consequence of the first, is an IMF/World Bank bailout² that was arranged in 2013. It resulted in austerity policies, including a doubling down on the demand for full-cost recovery in public services. Observers of the sector knew what to expect from this supplication to the IMF/World Bank because we had been closely following a bitter public face-off between the World Bank and the Public Utility Regulatory Commission where the World Bank accused the commission of incompetence because it had not managed tariff adjustments properly and as a result, tariffs have remained frozen for a long time.³ The history of the commission shows that the adjustment in reference is only reviewed upwards, which means that the demand was for a resumption of periodic tariff increments. The third issue is an energy crisis which has burdened the country with increased costs of doing business for most enterprises including the Ghana Water Company Limited (GWCL). Together, the three issues are taking a serious toll on the operations of the water company.

This is the economic environment that the public-owned GWCL has been operating in since it took over from the private contractor Aqua Vitens Rand Limited in 2011, pushing it to adopt certain steps that the human right to water campaign in Ghana has had cause to mobilize against.

The First Introduction of Prepaid Water Meters

The first attempt to introduce prepaid water meters in Ghana happened in May of 2004. The optimism and promises offered by the water company before implementation did not materialize. In fact, GWCL was one of many who ended up disappointed.⁴ The Public Agenda newspaper summed up the frustrations surrounding the policy at the time in this 2004 headline: “GWCL - Aquamet Affair Turns Sour.”⁵ Aquamet was the company that the GWCL contracted to help with the implementation of the prepaid meters in Ghana. The implementation was done as a pilot project in Tema, Ghana’s foremost industrial town. It was one of many attempts to deal with the longtime problem of the water sector in Ghana of improving revenue collection for the utility and reducing water losses. The problem had been discussed at several forums. During one such forum, held in Accra in December 2003 and organized by the United Nations Development Programme (UNDP), proposed that “the payment procedures should be redesigned for consumers. For example, the use of pre-payment cards, which will make collection of revenue more efficient and cost effective.”⁶ Shortly after this forum, pre-paid meters were called for by the utility company.

It might appear that improving revenue collection was the motivating factor for the call for pre-paid meters, however the forum report shows that the GWCL and some participants were motivated by additional reasons. One such reason was around the question of how to implement a long overdue increment in tariffs and how to still get citizens to comply and make payments. This additional reason can be seen in this statement from the report of the forum:

“It was observed that the water provided by GWCL is cheaper than water from other sources contrary to perceptions by some average consumers. For example, a bucket of water supplied by GWCL to customers is c70, while that from other commercial groups is between c200 and c400, which the consumers pay without complaints.”⁷

The suggestion being made here is that since citizens without any access to water, or without regular access, spend about 571% more money on buying water, the population should be able to accept the prepaid meters despite the fear that it will introduce new increments that citizens will have no other option than to pay.

These were some of the immediate considerations that heralded the introduction of the prepaid water meters and also brought Aquamet into the water sector in Ghana. An Aquamet report about the bidding process reveals a very closed process and a financial arrangement shrouded in secrecy. However, Aquamet duly won the contract in 2004 to collect revenue on behalf of the water company. Aquamet had no way of improving the existing collection means, or setting up a similar system. What they had planned for their contract was a sudden revolutionary system that demanded payment from citizens before they could use the water. This would automatically address the situation of huge customer debts because there could not be debtors in a prepaid regime. Aquamet, therefore, was properly placed as the expert revenue collector to amass huge sums of easy money from prepaid meters while the water company paid for them. The contract provided for Aquamet to retain 33%⁸ of all revenue collected and to pay the rest to GWCL. Some of these details were not made available to the public at the beginning of the contract when Aquamet was characterized as an expert collector that had been contracted to assist the GWCL to improve its revenue situation. Over time, dissatisfaction with the contract arrangement grew in the prepayment pilot areas.

It must be noted that at the time there wasn’t much public opposition to the policy, in part because of some of the campaign messages that accompanied the implementation of the policy. Dr. Steve Manteaw⁹ was of the view that the policy “initially did not attract public attention basically because of the way it was packaged and presented to the people. Residents were made to believe that the prepaid metering would put them in charge of their water consumption and help them eliminate waste and therefore reduce how much they pay for water, and people bought into it.”¹⁰

Messages that citizens will have higher control of their expenditure and use of water appealed greatly to many people frustrated by the unreliable billing situation of GWCL, which most often ended up with a pile-up of debts and eventual service disconnection. The feeling of escaping the grueling occasions of disconnection and reconnection by the GWCL and possessing and being in control over these questions made the idea of the meters acceptable to some citizens, but only for a short time.

According to Lord Hamah, a water rights activist and a resident of the area, “When the project started, the water tariffs in the Tema West area went down substantially, but later events indicated that it was artificial and was a way to get people to buy into the whole arrangement because a few months into the pilot then the prices started going up.”¹¹

The unregulated and arbitrary price increments were enough to ignite anxiety in some citizens over the meters because as Lord recalls, “You go and buy 10 cedis of water and it takes you about one week. The next time you buy the same amount [it] takes you about three days. People could then detect that, in fact, they are were paying more for water, then agitation started.”¹²

The situation was very different to what the residents were used to. Their previous experience was that of a wide consultation with the public through the Public Utility Regulatory Commission before tariff increments were implemented. However, no such thing occurred this time around. Tariffs were just increased without any consultation. This was enough to set into motion the factors that led to the scrapping of the policy.

Another issue that contributed to the failure of the first attempt to implement this new policy were challenges relating to lack of back-up arrangements for those who would run out of credit during public holidays and at weekends. According to some of the residents, a lot of the time people ran out of credit and could not find a vending place to buy because GWCL was not working during those periods and there were no private vendors for people to buy from, which was a bit of an inconvenience. If you ran out of water on a weekend, you would have to wait until the next working day before you could get water credit to buy.

There were also many instances when the meters that were brought in were faulty. You may have credit on your meter, but because the meter was faulty you would not have water flowing through your tap. This was quite widespread and even though the GWCL tried, there was no sustainable solution to that.

According Lord Hamah, some customers complained that they would be in the bathroom when their water would just shut off. They would then have to wipe the lather off their bodies. The most annoying part was that sometimes it wasn't because they didn't have credits, but because the machine was faulty.

Despite not facing any resistance at its commencement, within five months of the installation of the prepaid meters the number of complaints increased and people came together to provide a basis for the resistance of the meters in Ghana. In the end, it was the same Government agency that enthusiastically sold the idea to Ghanaians that went to court in 2004 “to seek an interim injunction, restraining Aquamet from the exercise of its contractual right to collect revenue on behalf of the GWCL. The injunction was granted and GWCL quickly moved in to replace all the pre-paid water meters in the project area with conventional meters.”¹³ Interestingly, the management of GWCL explained that their action was motivated by their bid to end further loss of revenue to the utility.

The Second Implementation Attempt and Resistance by Civil Society Organisations

In February 2014, discussions about prepaid water metering resurfaced again in the media in Ghana when the Public Utility Regulatory Commission (PURC) endorsed a proposal by the GWCL to begin another pilot installation of prepaid water meters in some selected communities.¹⁴ The endorsement followed an announcement by Michael Agyemang, GWCL's Public Relations Officer, about the formation of a committee to oversee the successful implementation of the pilot installation of the meters with the aim of curtailing the company's losses.¹⁵ The only concern of the PURC, despite discontent among some members of the public, was the need for the GWCL to ensure due diligence before installation of the meters for effective implementation of the policy.¹⁶ The PURC went on to clearly state its position that it "is not against the concept of introducing the metering system for utility services, of course, if installed, prepaid meters will reduce your commercial losses and the GWCL has a huge loss that has to be reduced."¹⁷ The other key institution with influence on determining whether the policy would be put in place was the Ministry of Water Resources Works and Housing. The Ministry, through its Minister, Collins Dauda, told the public that "prepaid meters have become necessary because of the willful non-payment of bills by several large-scale water users."¹⁸ With all the key sector governmental agencies – including the regulator – in agreement about going forward with the policy, almost no avenue remained for opponents of the meters to overturn the planned pilot project.

Yet, despite these odds, civil society managed to put the brakes on the process. How? There was an intense media campaign waged by civil society – by groups like the Integrated Social Development Center (ISODEC) and the Water Citizens Network of Ghana. The other side to the successful media campaign was the enthusiasm on the part of key media institutions to report on the issue. In the months of February and March 2014, the prepaid water issue was a major part of morning shows and prime time afternoon news.

A fundamental factor that goes towards explaining this favorable outcome for the campaign in Ghana was people's experience of unpleasant encounters with electric prepaid meters, which had not been in existence during the first Tema pilot. KwasiGyan-Apenteng captures a bit of the bad feelings that people had for electric prepaid meters as he narrates his personal experience:

The kind gentleman had not finished with me because he informed me further that the software that runs my type of meter had been deleted from their computer. How that was possible while my meter still ran and consumed my money was a technological mystery, but I realised that talking science would not help me, so I asked the kind gentleman what to do. He said they would install my new meter on Monday, so I asked further what to do if my power ran out before then. He advised me thus: 'if you have two fridges switch off one of them to conserve power.' I was surprised he didn't tell me to go outside and read by moonlight.¹⁹

Others also took issue with the integrity of the billing system of the electric prepaid meters as it seems to record and charge for consumption at higher rates than people were used to. A member of the opposition New Patriotic Party described the meters in the following terms:

These new prepaid meters also run faster than Usain Bolt. As soon as you recharge, in just two weeks' time you have to recharge again. We have a serious problem because the units on these meters run faster than Usain Bolt.²⁰

The public's concern about electric prepaid meters seems to have also influenced the interest of the media and the public in taking a position against the water prepaid meters as soon as the issue came up.

Another factor that contributed to the success of the campaign was a connection made by civil society groups between water prepaid meters and public health concerns. As Ellis Lamptey of the Water Citizens Network recalls:

The advocacy on the part of civil society groups who were campaigning for the removal of the meters was based mainly on public health concerns, and the campaign cited the case of Birmingham where the introduction of water meters earlier led to the outbreak of cholera and dysentery in the poor neighborhood in Birmingham as a result of which a court ruled that water meters be outlawed in the UK.²¹

Dr. Steve Manteaw also adds that the citing of the initial failed Tema pilot was an important contributing factor to get GWCL to back-track on the policy. He recalls the insistence of civil society and the unmet challenge to the Ghana Water Company Limited to make the evaluation report on the first pilot to inform the public about the critical factors that led to the suspension of the initiative and lessons learned from that pilot. He said to date, GWCL has not been bold enough to make the document public and the more they pushed for the document, the more it looked like the company was hiding something. According to him, the company's arguments then became that the GWCL cannot continue doing pilot after pilot if it cannot be transparent about lessons learned and the challenges of initial pilots. Presenting this critical argument with the GWCL on public platforms made the GWCL look bad.

While most of the Government water sector agencies were still in agreement to go ahead with the implementation of the prepaid water meters, the Parliament of Ghana felt the pressure of the campaign against the meters and took some of the concerns raised by their constituents seriously enough to step in and stop the implementation. Indeed, as reported on Peace FM Online on February 3, 2014:

Works and Housing Committee of Parliament is demanding that the company furnishes them with the justification before it can be allowed to pilot the initiative.²²

After meetings held between the Committee and officials of the Ministry of Water Resources, Works and Housing, the Chairman of the Parliamentary Committee told the media that the agencies were unable to provide certain details asked of them about the project. As a result, the Committee had directed them to discontinue the project until they were able to make available the information requested. This marked the end of the second attempt of installing water meters in Ghana.

The Third Implementation Attempt Leads to Wider Public Rejection

When the public thought that the policy had been cancelled for good it was a surprise when, in July 2015, there was a renewed push for the implementation of water meters with much more vigor than in the previous two instances. The GWCL's Acting Managing Director announced in July all was set for another rollout of the prepaid meters in August 2015. He provided the following reasons why the action has again become necessary:

1. **In order to “avoid incurring unnecessary losses emanating from non-payment of water bills by most consumers.”**
2. To address the “struggle to collect bills from consumers.”
3. To quell “violent attacks and molestations against GWCL workers in their quest to collect water bills or disconnect people who are engaged in illegal tapping of water.”²³

The Managing Director (whose focus was on domestic users) failed to tell the public that about 61% of the accumulated debt of the company was owed by the Government of Ghana, and the remaining by businesses and domestic users.²⁴ He therefore failed to show how this proposal meant that debts owed by the Government would be recovered through a prepaid water regime.

Other contradictions in the proposed water meter policy were raised in a press statement²⁵ issued by the Water Citizens Network of Ghana. Civil Society's opposition to the third attempt were similar to their actions in the second. Groups like the Water Citizens Network of Ghana were quick in their public opposition of the announcement.²⁶ The media again became an important partner in the new campaign against the meters. As was noted by Lord Hamah of the Water Citizens Network of Ghana:

“The recent attempt did not involve much of popular mobilization and this is largely because civil society groups have been constrained by lack of resources to mobilize people to defend their right to water. What has helped in the last two instances has been the use of media.”²⁷

The continued opposition to the meters by CSOs prompted the GWCL to come out with certain caveats to the policy. For example, the GWCL decided that the pilot of the policy would not be done in low income areas and instead they would focus on the rich, gated communities. CSOs asked what the use of the trials of water prepaid meters in rich, gated communities would be when the meters, in fact, were not meant for the rich, but to exclude poor households without the required purchasing power from access? CSOs opposition to the meters therefore continued and succeeded again.

After the two unsuccessful pushes for prepaid water metering in the country, the GWCL finally conceded to one of its main weak points – revenue collection. In June 2016, the company scrapped the idea of prepaid water meters and announced that instead it would introduce and pilot what it called “Water Scratch Cards.”²⁸ The objective here was an attempt to leverage mobile technology to improve revenue collection efforts. For activists who have previously pointed out this weakness, this is seen as an indicator that policymakers influencing the company are beginning to come to terms with the intense public aversion to prepaid water meters and perhaps are beginning to focus on their own contributions to the problem. Despite the company having found a potential means to deal with the internal challenge of revenue collection, there are still threats inherent in the new approach that pose challenges to the human right to water and the CSOs objective for universal access. CSOs find it worrying that the company is getting its disconnection teams ready to complement the implementation of the water scratch cards.

Lessons Learned

The campaign against prepaid water meters had unfettered access to media platforms to argue out its case, and the more those in opposition appeared on the platforms with the water company representatives, the worse it made them look. This was especially true for media activities that involved audience participation. It was observed that most of the call-ins were against the water company's plans.

Working closely with the media and presenting the threat that was anticipated was very valuable since the threat concerns everyone in the society, including the media actors themselves. The threat of public health in the event of accepting prepaid water meters was something that put a lot of fear into most people. Some commentators were very concerned that this pushed the country into a situation where various food vendors were resorting to unsafe water sources because at the time they needed water, they had run out of credit.

Bad experiences with the electric prepayment regime also contributed to easy communication with the public about the potential threats of prepaid water meters. Human right to water activists in the country therefore needed relatively little time to sensitize the media, the public, and then in the instance of the second pilot, Parliament.

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