FORUM OVERVIEW

Safe Water Network held its sixth annual Beyond the Pipe Forum in Ghana on March 14, 2018, with a focus on “Taking Small Water Enterprises to Scale.”

The event attracted more than 125 participants, including senior leaders from the Ghana water sector—representing government, the private sector, NGOs, and other institutions—as well as representatives from many of Safe Water Network’s key funding partners in Ghana, including: the Conrad N. Hilton Foundation; the Embassy of the Kingdom of the Netherlands; the Stone Family Foundation; Newman’s Own Foundation; the Osprey Foundation; the Vitol Foundation; the Public-Private Infrastructure Advisory Facility; GSMA Mobile for Development Utilities; and others.

The Forum’s objective was to advance the small water enterprise (SWE) proposition, developed with the guidance of the Small Water Enterprise Working Group, focused on replicating SWEs across Ghana. SWEs could serve 3.2 million of the 8.3 million people in Ghana that currently lack access to safe water for a capital cost of USD35 per person; an additional 1.6 million people could be served with subsidies. The Forum examined ways to create a conducive policy environment, build capacity of implementers, and structure a financing and governance entity to support the scaling up of SWEs.

Participants at the Forum engaged in dynamic discussions at two panel sessions.

SESSION 1
MOBILIZING FOR REPLICATION

Panelists proposed ideas for scaling SWEs in Ghana, including: developing standardized technical and training tools that could be adapted to local conditions; making SWEs part of the policy framework; and developing capabilities to transfer knowledge to create a “supply” of replicators. Safe Water Network is collaborating with IRC, EY Ghana, and World Vision (all of whom participated on the panel) on a real-life proposition to address these needs.

SESSION 2
FINANCING FOR SCALE

Lion’s Head Global Partners, a financial consultancy, shared their findings of an investigation into the financial proposition for a Ghana Water Enterprise Trust that will ensure the long-term financing, governance, and stewardship of SWEs, independent from Safe Water Network.

Next Steps

The discussions identified four key work streams that will be pursued in the coming year:

1. Refine the financial proposition to understand opportunities to attract blended financing, beginning with assessing the feasibility of a range of innovative financing products, such as development impact bonds and capital loans for station improvements.

2. Assess the potential for match funding from the Ghanaian Government (through World Bank and other funders) and mobilize government funding by demonstrating the case for SWEs and engaging with the government.

3. Continue to build and strengthen partnerships with the Ministry of Sanitation and Water Resources and the Community Water and Sanitation Agency to address policy considerations, including long-term concession agreements and pricing.

4. Evaluate pricing opportunities including two-tier pricing strategies for household connections.

To be successful, these initiatives require the active participation of sector stakeholders. Safe Water Network will continue to work in collaboration with the Small Water Enterprise Working Group and other sector participants. Please contact Joseph Ampadu-Boakye at jaboakye@ safewaternetwork.org if you have interest in participating in this effort.

1 List of Working Group members in Appendix
Safe Water Network’s Director of Africa Initiatives, Charles Nimako, reiterated Safe Water Network’s commitment to increasing safe water access to improve the health and livelihoods of millions of people in need—especially in peri-urban areas and small towns—and to work with other partners, including the Ghanaian Government, to scale up SWEs.

The Honorable Joseph Kofi Adda, Minister for Sanitation and Water Resources, reiterated Ghana’s goal of universal access to safe water by 2025 and the crucial role government investment will play in achieving this goal.

Kurt Soderlund, Chief Executive Officer of Safe Water Network, highlighted the organization’s goals: standardization, tracking financial and operational performance, and scaling SWEs. He noted that: “In prior years, there was a lot of debate around whether there was a role for SWEs or for the private sector to participate in water service delivery. What is encouraging is that the debate is behind us. The discussion is not if and whether, but how much and when.”

Chris Dunston, Senior Program Officer for the Conrad N. Hilton Foundation, suggested that achieving scale will require business acumen, clarity on roles and responsibilities, innovations to simplify the SWE model, collaboration, and knowledge sharing between governments, NGOs, and others.

Fred Smiet, the Embassy of the Kingdom of the Netherlands’ First Secretary for Water and Climate, stated that SWEs are in line with the Netherlands’ water, sanitation, and hygiene (WASH) policy on achieving sustainability while ensuring access. Financing for scale is a key factor in achieving sustainability of water supply systems, he contended, and “the Dutch government will continue to play a key role in improving access to water in Ghana.”

"We can’t do it all by ourselves. We need partners."  
CHARLES NIMAKO  
Director of Africa Initiatives  
Safe Water Network

"We are committed as a Ministry to support Safe Water Network by attracting and leveraging funding opportunities, and improving the policy environment to achieve larger impact in sustainable safe water access."  
HON. JOSEPH KOFI ADDA  
Minister for Sanitation and Water Resources

"The Safe Water Network model of SWEs is a turnkey solution that can really provide a dramatic change in water service delivery here in Ghana, and we fully support the approach."  
CHRIS DUNSTON  
Senior Program Officer  
Conrad N. Hilton Foundation
2018 UPDATE: TAKING SWEs TO SCALE

Safe Water Network provided attendees with an assessment of the state of the market for SWEs in Ghana.

Safe Water Network’s Program Manager, Joseph Ampadu-Boakye, presented on the state of the market for SWEs in Ghana. He highlighted the opportunity for SWEs to provide safe, reliable water to an estimated 3.2 million of 8.3 million people that lack access, and for SWEs to move consumers up the water-service ladder, consistent with the Sustainable Development Goals (SDGs). An estimated $900 million annual investment is required to reach the SDGs. Two critical barriers must be addressed for SWEs to scale and contribute to SDG targets: financing and policy reform. Today, Safe Water Network provides safe water access to 340,000 people in Ghana.
SESSION 1: MOBILIZING FOR REPPLICATION

This session focused on the requirements to create an active market for SWEs in the areas of policy, environment, capacity, and development of a market of SWE replicators/implementers.


Janet Arthur stated that SWEs provide a good example for the government regarding water service delivery. Flexibility of SWEs and the use of smart and optimized initiatives for water service delivery, such as solar energy and household connections, make SWEs a viable option for achieving sustainable safe water access.

Attah Arhin noted that there are limited funders supporting water programs in communities, and that these programs are highly dependent on grants and sponsorships. As such, there is a need to leverage adequate financing—and the SWE model is one vehicle to attract private sector investors.

Djabanor Narh emphasized that the sector had to be conscious of assessing specific aspects of the model and understanding how each impacts sustainability.

“To successfully mobilize for replication, we need to identify what has worked and what has not—such as technology, accountability, knowledge transfer, and management.”

**DJABANOR NARH**
Partner, EY Ghana

SESSION 1 PANEL (LEFT TO RIGHT): Vida Duti, Djabanor Narh, Attah Arhin, Anil Sondhi, Janet Arthur
Vida Duti stressed the importance of private sector participation in the water sector. To increase the private sector footprint, building blocks such as finance, an enabling political environment, the structuring of public-private partnerships (PPPs), tariff regimes and regulation, donor support, developing management skills, and the structuring of private funding, must be steadily built. It is also important to monitor the contribution from WASH actors to determine what has worked and what has not.

Anil Sondhi emphasized that common standards, which touch upon operations, processes, and training, need to be documented and adapted to local conditions in order to improve service delivery efficiency and effectiveness.

The session concluded with discussions among the audience concerning the role of SWEs in providing safe water and the need to create a conducive policy and enabling environment to scale SWEs. There appeared to be consensus on several points: water is a social good with an economic value; the SWE model presents a solid PPP platform to leverage private sector funds; and the sustainable supply of clean and safe water requires investments that warrant water tariffs.

Main Session Takeaways

- There is a need for planning, investments, and the creation of a conducive policy environment to ensure system sustainability.
- Monitoring and documenting the impacts of SWEs to communities (financial and social) will enable stakeholders to learn what works and what does not, and will attract government interest in SWEs.
- Collaboration is critical within governments, and between government and other actors (NGOs, private sector, etc.) to scale SWEs, since each actor has a role to play.
- Scaling SWEs requires adequate financing; the SWE model is one that can attract private sector financing and expertise, and increase private-sector participation throughout Ghana’s water sector.

“Public-private partnership policies have been passed but the footprint of the private sector in Ghana has not been sufficient. This can be changed.”

VIDA DUTI
Country Director IRC Ghana

“Vida Duti stressed the importance of private sector participation in the water sector. To increase the private sector footprint, building blocks such as finance, an enabling political environment, the structuring of public-private partnerships (PPPs), tariff regimes and regulation, donor support, developing management skills, and the structuring of private funding, must be steadily built. It is also important to monitor the contribution from WASH actors to determine what has worked and what has not.”
SESSION 2: FINANCING FOR SCALE

Session 2 focused on Safe Water Network’s continued work to develop a Ghana Water Enterprise Trust—a dedicated Ghanaian-registered funding and oversight vehicle that will provide long-term governance, financial stewardship, and funding for SWEs.

Panelists: Samuel Apenteng, Managing Director, Joissam Ghana Limited, Benedict Kubabom, Director of Planning and Investment, Community Water & Sanitation Agency; Leonard Mathu, Executive Director, Lions Head Global Partners; and Emmanuel Nkrumah, Senior WASH Specialist, World Bank Ghana. Moderator: Louis Boorstin, Managing Director, Osprey Foundation.

In an opening statement, Safe Water Network’s Program Manager, Joseph Ampadu-Boakye, underscored the need for the Trust and a staged process for incubating the Trust within Safe Water Network, and subsequent incorporation as a separate entity in the medium-to-long term.

The Executive Director of Lions Head Global Partners (LHGP), Leonard Mathu, highlighted the key outcomes from LHGP’s work on structuring the Trust, noting that, due to relatively low tariffs and long periods required to recoup investments, SWEs are not yet attractive to commercial financing. There could, however, be opportunities for blended and concessional financing.

Benedict Kubabom emphasized the need to have properly anchored policies and plans that are favorable to SWEs, as well as the need to attract funding from multilateral and bilateral organizations. Currently, there is complementarity between SWEs and the Community Water and Sanitation Agency (CWSA), as CWSA is mandated to reach rural communities and SWEs are present in these often-overlooked communities. He acknowledged that the government alone cannot meet the water demand. Therefore, it is important to engage the private sector to invest in water service delivery.

With the new Sanitation and Water Resources Ministry in place, a strategic plan for the sector needs to be captured with the Ministry.

BENEDICT KUBABOM
Director of Planning and Investment, CWSA
Emmanuel Nkrumah indicated that the World Bank has put in place structures to enable private sector partnering with government in project implementation. It does so through blended financing and providing loans to support private sector operators. An example is the World Bank’s loan to Ghana Water Company Limited through the Ministry of Finance.

Samuel Apenteng argued that, currently, SWEs are not attractive to the private sector because of unrealistic (low) tariffs. In addition, community management structures are needed to enable systems to survive once ownership is transferred to communities.

The session concluded with discussions among the audience regarding the need to strengthen the financial proposition for SWEs in order to make a strong case for scaling up and attracting private investors. District Assemblies (DAs) are ready to adopt the model, but more work is needed at the national/ministerial level to promote the proposition. This will have positive impacts on financing.

“Although the [water] service must be pro-poor, the tariffs must be realistic for economic reasons and financial sustainability.”

SAMUEL APENTENG
Managing Director
Joissam Ghana Limited

Main Session Takeaways

- Blended finance is needed to scale SWEs, and finance mechanisms such as microfinance can catalyze initiatives like household connections.

- There is a need to evaluate the pricing- and tariff-setting policies in Ghana and determine realistic pricing that will both attract the private sector and ensure affordable water.

- There are new funding opportunities that the sector can explore, such as funding from the World Bank through the Ministry of Finance.

- There is the need to work with other sector stakeholders, including CWSA and the Ministry of Sanitation and Water Resources, to review water sector policy to reflect the requirements for successful SWEs.
FORUM CLOSING

Joseph Ampadu-Boakye outlined the next phase of work to be completed and reported on during the next Forum (see the “Next Steps” section on Page 1).

In his closing remarks, Charles Nimako acknowledged the urgency to scale up SWEs, and reinforced Safe Water Network’s interest in working with other partners to make progress in addressing the barriers.

GOING FORWARD

Safe Water Network will continue to actively work in collaboration with the Small Water Enterprise Working Group and other sector participants, and will be forming additional focused working groups to address specific barriers to scale. To be successful, this initiative requires the active participation of sector stakeholders. Please contact Joseph Ampadu-Boakye at jaboakye@safewaternetwork.org if you have interest in participating in this effort.
APPENDIX

SWE Working Group Members

Kwasi Osei
Managing Director, Prism Capital Partners; Former Director General, SSNIT (Chair)

Joseph Ampadu-Boakye
Program Manager, Market Development and Partnerships, Safe Water Network (Coordinator)

Minta Aboagye
Private Consultant and Former Director of Water, Ministry of Water Resources, Works and Housing

Magdalene Apenteng (Mrs)
Former Director, Financial Service, Ministry of Finance

Samuel Apenteng
Managing Director, JOISSAM Ghana Ltd.

Janet Arthur
Policy Officer, Water and Sanitation, Embassy of the Kingdom of the Netherlands

Seth Asante
Private Consultant

Michael Ayesu
Director, External Resource Mobilisation (Multilateral), Ministry of Finance

Ekow Coleman
PPP and Infrastructure Advisory Expert

Martin Dery
Executive Secretary, Coalition of NGOs in Water and Sanitation

Benedict Kubabom
Head of Planning and Investment, Community Water and Sanitation Agency

Natasha Lamptey
Legal Practitioner

Emmanuel Nkrumah
WASH Specialist, World Bank

Donald Tay
Director of Water, Ministry of Water Resources, Works and Housing

Participating Organizations

Access Development
Adom Boafo Microfinance Institution
Asuogyaman District Assembly
CARE
Christian Community Microfinance Limited (CCML)
Community Water and Sanitation Agency
The Conrad N. Hilton Foundation
CSIR-Water Research Institute
Deloitte and Touche
Ecobank
Embassy of the Kingdom of the Netherlands
EY Ghana
EY India
Ghana Institute of Resource Development
Global Women Development Promoters
IRC-Ghana
IRC-Uganda
IWD Consult
JAK Foundation
Joissam Ghana Limited
Laryea, Laryea & Co
Lions Head Global Partners
Millennium Water Alliance
The One Foundation
Opportunity International
The Osprey Foundation
Pan African Savings and Loans
Phoenix Insurance
Polytank Ghana Limited
Prism Capital
Public Utilities Regulatory Commission
Rapha Consult
SAHA Global
Sinapi Aba Savings and Loans
Sinapi Aba Trust
SNV
The Stone Family Foundation
USAID
The Vitol Foundation
WAE
Water4
Water.org
WaterAid
WaterHealth Ghana
Waterloo Foundation
Water and Sanitation for the Urban Poor
The World Bank
World Vision
About Safe Water Network

Operating at scale in both India and Ghana, Safe Water Network is demonstrating a cost-effective approach for locally owned and operated small water enterprises to reach millions in need of safe water around the world. Working with other implementers and agencies, we are developing the tools and resources for replication and advancing the case for funding and policy reforms that will enable scale-up. Our team brings together expertise in engineering, operations, finance, health, policy, and social development, and draws upon work experience from world-class multi-nationals, government agencies, and not-for-profits.

For more information on Safe Water Network, please visit www.safewaternetwork.org.

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