



PRESS STATEMENT

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In the Era of COVID-19, Government Should Ensure that All Public Sector Agencies Pay Debts Owed to the Ghana Water Company Limited.

The Ghana Water Company Limited (GWCL) cannot operate efficiently without the total resources it requires to finance its operations. The now intractable problem of high indebtedness of public sector organizations to the utility is putting a serious strain on the operations of the company.

From the last "Proposal for Review of Aggregate Revenue Requirement and Tariff" the company submitted to the Public Utilities Regulatory Commission in the latter part of 2019, it was revealed that, the GWCL's average monthly revenue collection ratio for MDAs and other central and local government stood at 12%. As a result of defaults on the payment of water bills, the government at the end of 2017 owed the Ghana Water Company Limited an amount of GHS 465 million Ghana.

In contrast, the monthly collection ratio from non-MDAs including domestic users was 90%. The difference between what MDAs and Non-MDAs owe GWCL is astonishing, as the government and proponents of privatisations point fingers at the GWCL and non-paying domestic customers as sources of the inefficiencies of the company.

Similar practices in the past and reduced government subventions put the company in a near comatose position along with the proposition and determination of some local and international vested interests to privatise the utility. Fortunately, those efforts failed.

At the end of June, 2018 GWCL was indebted to energy providers to the tune of GHS 671.8 million, which according to the company was about 69.2% of the company's annual water revenue of about GHS 970.6 million. The debts accumulated due to the company's inability to also pay its average monthly debts of about GHS 32.8 million to the energy suppliers.

The COVID-19 pandemic has shed light on the importance of water not only as a public good but also as an important resource for human health and security. The GWCL will not be able to sustain regular supply of water or expansion to reach unserved communities if the debts situation of the company is not resolved.

We are happy to note that our checks show, the government is making payments for the free water relief package it offered to citizens in response to the COVID-19 pandemic. This gesture can only be borne out of a clear recognition of the needs of the times and the importances of water to our collective security.

We request that this same understanding and urgency should be deployed by the government to cause its several agencies and departments to promptly and regularly pay their water bills.

A handwritten signature in blue ink, appearing to read 'L. Shang-Quarthey', is located at the bottom left of the page.

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