

Community Water and Sanitation Agency signs historic public private partnership agreement with Grundfos Pumps Ghana Limited to provide safe water for rural and small town communities in Ghana

Source: Mrs. Pauline Estella Pebla Tambro – Chief Pr Manager, CWSA

On Wednesday, November 25, 2020, the Community Water and Sanitation Agency (CWSA) signed a historic Public Private Partnership (PPP) agreement with Grundfos Pumps, the world's largest manufacturer of pumps and with 75 years in the industry.

The collaboration is aimed at enabling the CWSA to accelerate the delivery of sustainable safe water supply to rural communities and small towns in Ghana. The historic agreement was signed by the Chief Executive of the CWSA, Ing. Worlanyo Kwadjo Siabi on behalf of the Agency and witnessed by the Director of Technical Services, Ing. Owusu Konadu and Mr. Morten

Tougaard Nielsen, Lead Project Manager, Ghana Water Initiative, for Grundfos Pumps Ghana Limited. The signing of the agreement marks the beginning of the operationalization of the cooperation agreement signed between the Ministry of Sanitation and Water Resources and Grundfos in 2019, which aims at increasing private sector engagement in water and sanitation services delivery. The agreement also marks the beginning of the implementation of the Public Private Partnership (PPP) framework formulated within the context of the CWSA-led reforms in the community water services sub-sector, which began in the year 2017.

In the PPP framework, CWSA, as the asset holder of all publicly funded water systems, will engage the private sector in funding,

construction and management of water supply services. The major objective of the Agency's new PPP framework is to encourage the private sector to support Government in the delivery and management of water supply services with funding and expertise. The possible models for the PPP approach under the CWSA reform programme include:

- **Build-Operate-Transfer:** The private-sector partner is granted authorization to finance, design, build and operate an infrastructure component (and to charge user fees) for a specific period of time, after which ownership is transferred back to CWSA.
- **Rehabilitate-Operate-Transfer:** This arrangement involves transfer of a broken

water supply infrastructure to a private sector firm to rehabilitate and manage for a period of time, sufficient to recoup his investments and return the asset back to CWSA.

- **Finance Only:** The private sector partner, in this case a financial services company, funds the infrastructure component and charges CWSA interest for use of the funds.
- **Operation & Maintenance Contract:** A component of a water supply system or the entire water system is given to the private partner to manage at an agreed fee over a period of time, after which the system will be transferred to CWSA. It is against this background that the Agency signed its maiden PPP cooperation agreement with Grundfos Pumps Ghana limited at its Head Office in Accra.

SUMMARY OF TERMS OF AGREEMENT

Under the agreement, Grundfos is expected to assist the CWSA to provide access to potable water for the about 6 million Ghanaians living in rural communities and small towns who lack safe water. CWSA will collaborate with Grundfos which has the managerial and technical expertise, as well as the financial resources to improve and expand the coverage of water supply services in the Water Supply Zones. CWSA will however remain the asset owner of all water supply systems as specified in this Agreement, including in the Water Supply Zone. This Project will contribute to the efforts of CWSA in the delivery and management of safe, reliable and affordable water supply to rural communities and small towns in the country. Grundfos shall procure the execution of all Start-up Works at its own expense within the Water Supply Zone and shall remain the owner of the Start-up Works until the works are depreciated according to the terms of the

contract. When the Start-up Works are depreciated, the ownership is transferred to CWSA, as owner of the Assets.

The agreement further stipulates that, the CWSA will grant Grundfos access to the Agency's water supply assets and facilitate the granting of permits, licenses and approvals needed for the project. Grundfos, on its part will take over the day-to-day management of the water systems, financing of rehabilitation works on all components of the water systems as well as the construction of new water systems.

MAIDEN PROJECT – ABOMOSU WATER SYSTEM

The first beneficiary community under this partnership agreement is Abomosu, in the Atiwa East District of the Eastern Region with a population of about 7000 people.. The community water system which was originally provided by the CWSA broke down due to poor maintenance which rendered the residents without water for years. Under this pilot project, Grundfos is rehabilitating the water system to enable it produce a minimum of 110 cubic metres of water daily to support about 200 household connections and 7 community standpipes. The duration of the agreement is 10 years and within this period Grundfos shall procure the execution of all Start-up Works on the Abomosu Water System at its own expense and shall remain the owner of the Start-up Works until the works are depreciated according to the terms of the contract. When the Start-up Works are depreciated, the ownership of the Abomosu water system will be transferred back to the CWSA, as owner of the Asset. The rehabilitation works on the Abomosu system began in January 2020 and water started flowing in March 2020. Grundfos is investing 123, 000 EUROS towards refurbishing this water system to enable it provide the expected basic service.

DIGITISED PREPAID METRES

Currently, household connections are using mechanized metres but Grundfos intends to install prepaid smart metres for households using TagMeter ultrasonic water metres with LoRa 868MHz (AQTags). With this new technology, users will be able to access water using water cards that are loaded with mobile money. Grundfos has started the integration with MTN Mobile Money to ensure that revenue collection is done digitally to minimize the use of cash.

The CWSA-Grundfos partnership presents an opportunity to increase access to water supply in Ghana and thereby improve the quality of the lives of community members. The initiative supports a scalable water solution that is financially sustainable. The digitized approach adopted will ensure efficient revenue collection and assures water quality for users. CWSA in collaboration with Grundfos intends to replicate this scalable solution in several communities in Ghana. It is hoped that this collaboration will ultimately push Ghana closer and faster towards achieving the SDG Goal 6 by reducing the unserved population in rural communities and bringing access to water services to the doorsteps of the served population as prescribed by SGD6.



Residents of Abomosu fetching water through the Grundfos AQTap



Grundfos Local staff teaching residents the use of AQTap



Full view of the AQTap technology installed on community standpipes at Abomosu



Ing. Worlanyo Siabi, CE, Signing for CWSA



Mr. Nielsen Signing For Grundfos



Ing. Owusu Konadu, DTS, Witnessing For CWSA



Exchange of Signed Agreement



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