

# \$ On Tap: Privatizing Water

*From California to Ghana*  
International Fact-Finding Mission on  
Water Sector Reform in Ghana

# *Bay Guardian*

## **Bye-bye Bechtel**

**Supes OK deal to end water privatization  
contract**

**Firm has done little to manage city's water  
system reconstruction project**

**By Savannah Blackwell**

**November 7, 2001**

**A SPECIAL REPORT  
S.F. CHRONICLE**

## **DANGEROUS DISREPAIR**

**Now \$3.6 billion sought to repair and  
expand aging Hetch Hetchy**

Susan Sward, Chuck Finnie, Chronicle Staff Writers

Sunday, September 15, 2002

**The New York Times**  
nytimes.com

# **Saving Water, U.S. Farmers Are Worried They'll Parch**

**By DOUGLAS JEHL**

**August 28, 2002**

November, 2002

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**The New York Times**  
nytimes.com

# **As Multinationals Run the Taps, Anger Rises Over Water for Profit**

**By John Tagliabue**  
**August 26, 2002**

# European Commission: Open Trade in Water

- The General Agreement on Trade in Services (GATS) is being negotiated by all WTO members
- The EC has asked the U.S. to agree to open “water for human use and wastewater management” to GATS rules by March, 2003.

# Billions Lack Safe, Affordable Water

- 1 billion without clean, affordable water
- 2.4 billion without proper sanitation

# WATER in Global South

## Burden on Women and Girls

- Primary responsibility for collecting and providing water for the family
- Women and children walk long distances to obtain water
- Lack of water a source of social strain, lost days in school, domestic violence

# Ghana, West Africa



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# Ghana, West Africa

- 18 million live in a poor but vibrant nation
- In the cities:
  - Only 40% have flowing water
  - Only 22% of the urban poor have a working water tap
- Sanitation system is poor
- Minimum wage is \$1 a day

# REPORT OF THE INTERNATIONAL FACT-FINDING MISSION ON WATER SECTOR REFORM IN GHANA August 2002



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# Maamobi Community



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# Water is Key to Life

- **No single intervention has greater overall impact on national development and public health than the provision of safe drinking water and proper sanitation. – *World Health Organization***
- 70% of diseases in Ghana are water-related, including cholera and malaria

# World Bank Loans Require Private Sector Participation

- \$490 million in loans to the Government of Ghana, 2001-03, are conditional on private multinational corporations contract to run urban water system
  - Ghana Country Assistance Strategy
- Bank also requires increased “cost recovery” payments by individual users

# Hosts

- The Reverend Aboagye-Mensah  
– Christian Council
- Mr. Akwasi Adu-Amankwah  
– TUC, Civil Society Council of Ghana
- Rt. Reverend Bishop Charles Palmer-Buckle – Ghana Catholic Bishops Council
- Professor Akilagpa Sawyerr  
– African Association of Universities

# Proposal to Privatize Water

- Divide ~74 Water Systems into 2 “Business Units”
- Lease each to a private sector water company:
  - Operate and Manage, invest \$70 million
  - Rehab, Renew, Improve System
- Not Responsible for Extending System
- Bidders: Vivendi, Saur, Suez, Bi-Water, International Water (Bechtel)

# Civil Society Organizations Are Speaking Out

- Ghana National Coalition Against the Privatization of Water (NCAP of Water)
  - May 2001
  - Trade Unions, Women's Groups, Teachers, Public Health Workers, Community Assns., NGOs, Students
- Call for National Discussion and Debate
- Public Accountability

# Labor Issues

- Transparency
- Massive layoffs planned
- Once skilled workers laid off, is there a way back?
- Lowest bidder = Potential Problems
  - Reduced service, worse labor conditions
- How will people be able to afford water?



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# FFM Findings: World Bank Demands Contingency

- Loans to Ghana depend on privatization of water and other services
- Country Assistance Strategy – loan payments to Ghana increase with greater level of water privatization
- Water Sector Reform proposals favor private sector, no public options explored

# FFM Findings: PSP No Solution But Adds New Problems

- The PSP would not extend water to new areas
  - Millions to remain without access to safe water
  - Insufficient population coverage to achieve health benefits
  - Ability to pay, not poverty and health, are priorities
- Affordability of water at greater risk
- Sanitation remains separate from water
- Lack of public accountability

# Affordability at Risk

- Ghanaians already spend up to 20% of meager incomes on water
- Cost recovery would increase water bills
- There are no guaranteed protections for the poor
- Multinational corporations are guaranteed increasing returns, and protection from inflation
- Rates are likely to rise

# Health Effects: Cholera Epidemics Follow Increased Water Rates

- Automatic meters would cut off water for non-payment
- Unsafe water is the only alternative
- Cholera epidemics and deaths have followed water rate increases in Ghana and in South Africa

# There Are Alternatives...

## Mafi Kumase



November, 2002

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*The Washington Post*

# The Enron of the Developing World

By Robert Weissman

Wednesday, September 25, 2002; Page A27

# And Civil Society Leads the Way

*“Water is a fundamental human right, essential to human life to which every person, rich or poor, man or woman, child or adult is entitled.”*

The Accra Declaration on the Right to Water

# Cases of cholera, urban Ghana

Region	Pop	1998 cases	Cases/yr/mil	1999 cases	Cases/yr/mil
Ghana Total	18.4 million	3,689	<i>200</i>	9,432	<i>512</i>
Greater Accra	2.9 mil	254	<i>87</i>	3,525	<i>1,211</i>
Kumasi Metro	1 mil	637	<i>626</i>	1,030	<i>1,013</i>

# Water-Related Illness and Mortality

- 5 million/year die from unsafe water
  - Mostly children under 5
- Diarrheal disease [includes cholera]: 3.3 million
- Malaria: 1.5 million
- Schistosomiasis: 300,000
- Others: guinea worm, trachoma
  
- Cholera only reliably prevented by access to safe water and sanitation

# Public Health Concerns

- Access
- Adequate coverage
- Affordability

# Save Global Health

Center for Policy Analysis on Trade and  
Health (**CPATH**)

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