



Journal of International Development

**Decentralization and basic services provision: water and sanitation in Ghana**

Journal:	<i>Journal of International Development</i>
Manuscript ID:	draft
Wiley - Manuscript type:	Research Article
Keywords:	decentralization, water, ghana, urban service delivery, africa, utility performance



Review

## Decentralization and basic services provision: water and sanitation in Ghana

### Summary

How does decentralization reform affect the provision of basic services, particularly water and sanitation in Ghana? We deal in particular the delivery of water and sanitation, given the importance of water and sanitation. Conclusions are drawn concerning the policy implications for the design and implementation of decentralization reform. The first is the need to ensure that laws establishing service delivery agencies and possible partnership arrangements are consistent with the specific laws that set out the nature of decentralization reform. The second policy implication of our study is the need for a conscious implementation plan in support of decentralization laws and policies. The third policy implication regards the question of appropriate roles by local government. We have observed that pluralism performs better than distributed monopoly by public utilities. Decentralization reforms should deepen local accountability in the provision of basic services. Finally, assigning leadership, brokerage and oversight roles to local government in the design of decentralization reforms is critical for expanding basic services.

**Key words:** decentralization, service delivery, water and sanitation, performance, Ghana Africa

## **Decentralization and basic services provision: water and sanitation in Ghana**

### **Introduction**

This paper analyses how decentralization reform affects the provision of basic services, particularly water and sanitation in Ghana. The paper reviews differences in types of decentralization that have emerged since the most recent wave of reforms in 1988 and the influence these have had on service delivery. The paper is divided in different parts. The first part summarizes the conceptual discussion of decentralization, particularly, with regard to the provision of basic services. The second part of the paper focuses on the extent to which decentralization and related reforms in Ghana have influenced the delivery of water and sanitation. The third part discusses how the various types of decentralization that have emerged in the delivery of water and sanitation after the introduction of the reform are performing. We conclude the paper with some lessons for policy.

We use water and sanitation as examples of basic services because of prevailing institutional and financial constraints in their provision in the country and the importance of these (water and sanitation) in the discussion on achieving the Millennium Development Goals in Africa. In 2002, 70% of urban and 46% of rural dwellers in Ghana were covered by safe water supply; and, 45% of urban and 20% of rural dwellers used safe excreta disposal methods (Republic of Ghana, 2002). To meet the United Nations endorsed Millennium Development Goals on water and sanitation, Ghana needs to radically reform service delivery agencies and in addition spend about \$1.6 billion towards supplying 85% urban population and 80% rural population with safe water by 2015; and \$1.1 billion towards providing 84% of urban population and 76% of rural population with adequate sanitation by 2020 (Ministry of Works and Housing, 2004).

### **Some conceptual discussions**

The literature is unanimous about the importance of decentralization. This is because it affects every policy decision - from maintaining macroeconomic stability and the development of the financial sector to the effectiveness and efficiency of the delivery of basic services (Litvack and Seddon, 1999).

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5 The works of Cheema, Nellis, Rondinelli and Silverman in the 1980s and 1990s provide  
6 direction in the definition of decentralization<sup>1</sup>. For most part, there is consensus on the  
7 key elements. These are transfer of *authority* (that is *power*, by law) for (specified) public  
8 functions; transfer of *responsibility* (that is *roles* and *tasks*) for public functions; transfer  
9 of *resources*; and transfer is from a *higher level* of government to a *lower level* or from a  
10 level of government to a *quasi-independent government organisation* (Rondinelli, 1999).  
11 Cohen and Peterson (1997) and Bossert and Beauvais (2002) emphasise the need to look  
12 beyond the public sector in the transfer of such responsibility and resources.  
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21 The classification of decentralization by *forms* and *types* by the Cheema-Nellis-  
22 Rondinelli-Silverman school is particularly relevant. By this approach, decentralization is  
23 classified by *forms* on the basis of objectives, the three main forms being: political, fiscal  
24 and administrative decentralization<sup>2</sup>.  
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30 Political decentralization aims to give citizens and their elected representatives more  
31 power in public decision-making. It is about pluralistic politics and representative  
32 government, particularly at the local level. It is also about democratisation - giving  
33 citizens or their representatives more influence in formulating and implementing policies  
34 (Rondinelli, 1999). Political decentralization often requires constitutional or statutory  
35 reforms; strengthening of legislatures; creation of local political units; encouragement of  
36 effective public interest groups; and, development of pluralistic political parties.  
37 Advocates of political decentralization assume that decisions made with greater  
38 participation will be better for the effectiveness and efficiency of service delivery (Ayee,  
39 1997).  
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49 Financial responsibility is a core component of decentralization. If local governments and  
50 private organisations are to carry out decentralised functions effectively; they must have  
51 adequate revenues – raised locally or transferred from the central government – as well as  
52 the authority to make expenditure decisions. Bahl and Linn (1992) and World Bank  
53 (2002) discuss fiscal decentralization as including: (a) self-financing or cost recovery  
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3 through user charges; (b) co-financing or co production, in which users participate in  
4 providing services and infrastructure through monetary or labour contributions; (c)  
5 expansion of local revenues through property, sales or other local taxes or indirect  
6 charges (for example, betterment taxes); (d) intergovernmental transfers of general  
7 revenues from taxes collected by the central government to local governments for general  
8 or specific uses; (e) authorisation of municipal borrowing and mobilisation of resources,  
9 including loan guarantees by central government.  
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18 Administrative decentralization, according to Cohen and Peterson (1997), seeks to  
19 redistribute authority and responsibility for providing public services among different  
20 levels of government. It is the transfer of responsibility for specified public functions  
21 from the central government and its agencies to field units of government agencies,  
22 subordinate units or levels of government, semi-autonomous public authorities or  
23 corporations, or area-wide, regional, or functional authorities (World Bank, 2000).  
24 Administrative decentralization usually means the transfer of the following  
25 responsibilities: planning, budgeting, staffing, program and project implementation,  
26 information management and operation and maintenance from a higher to lower level of  
27 government or from government to a quasi government or private sector organisation.  
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37 According to Cohen and Peterson (1999), different combinations of the *forms* of  
38 decentralization result in *types* (of decentralization). The literature generally discusses  
39 three main types emerging as a result of the combination of forms. These are  
40 deconcentration, delegation and devolution (Cheema and Rondinelli 1983).  
41 *Deconcentration*, the weakest type of decentralization, is the redistribution of functions to  
42 non central government levels within sector ministries or other sector-specific national  
43 agencies (Rondinelli, Nellis and Cheema, 1984). Despite geographical dispersion of  
44 ministry offices and central government employees stationed in branch offices,  
45 deconcentration centralises power within central government organisations (World Bank,  
46 1993). *Delegation* is more extensive, involving the transfer of responsibility for decision-  
47 making and administration of public functions to semi-autonomous organisations not  
48 wholly controlled by the government, but ultimately accountable to it (for example  
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3 special purpose local government units, state owned enterprises and enclave projects).  
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5 *Devolution* is even more extensive and involves the transfer of authority for decision-  
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7 making, finance and management to quasi-autonomous units of local government with  
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9 corporate status. The essence of devolution is discretionary authority. Variants of types,  
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11 such as the principal agency model (arguably a variant of delegation) can be observed in  
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13 practice (Bossert and Beauvais, 2002).  
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16 Another school, dominated by Cohen and Peterson (1997; 1999) analyse decentralization  
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18 more from the perspective of roles distribution. They postulate the existence of three  
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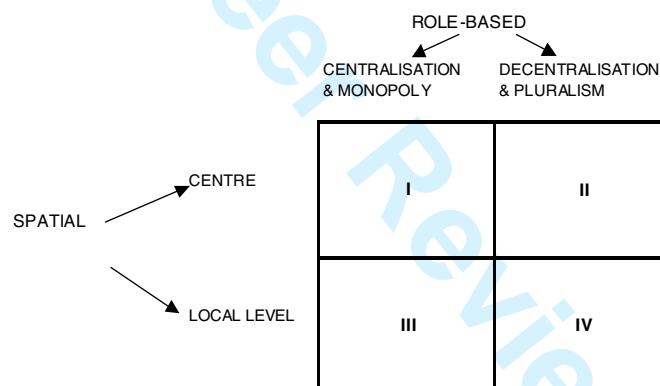
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22 a) *Institutional Monopoly*, or centralisation, where roles are concentrated at the spatial  
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24 centre in an organisation or institution  
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26 b) *Distributed Institutional Monopoly*, or decentralization to local level governmental  
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28 institutions or private sector firms and organisation through deconcentration,  
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30 devolution, and/or delegation, but where roles are distributed spatially and  
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32 concentrated in one organisation or institution  
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34 c) *Institutional pluralism*, or decentralization through deconcentration, devolution,  
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36 and/or delegation, but where roles are shared by two or more organisations or  
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38 institutions, which can be at the spatial centre, distributed, or a combination of both.

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40 Strong in Cohen and Peterson's frame is the notion of pluralism, that is, the distribution  
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42 of roles among various actors at various levels of service provision. Pluralism can be  
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44 planned for through conscious sequencing of reforms. Figure 1 depicts Cohen and  
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46 Peterson's classification of the different states of decentralization and distribution of  
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48 roles. Description of each quadrant is as follows:

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50 i. Quadrant I represents centralisation or institutional monopoly, where roles are not  
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52 shared, but instead are monopolised within one central public institution.  
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- ii. Quadrant III represents distributed institutional monopoly, where roles are not shared, but responsibility for roles is spatially distributed. Included in this quadrant are the deconcentrated and devolved types of decentralization.
  - iii. Quadrants II and IV represent institutional pluralism, where roles related to a specific task are shared by two or more governmental institutions and/or private sector firms or community organisations. Institutional pluralism can be spatially centralised as in Quadrant II or decentralised as in Quadrant IV.

**Figure 1: Theoretical states of decentralization and distribution of roles**



Helmsing (2000) and Awortwi (2004) add to the discussion on pluralism by emphasising the importance of a multi-actor framework. The need for such a framework is due to: (a) rethinking of which institutions are best suited to identify demand; (b) the reality of government failure, market failure, technological changes, and organisational and managerial innovations that permit unbundling of services; (c) demands by organised groups in society and of citizens in general to participate in the public decision making; (d) appreciation of indigenous institutions through which communities organise basic services; and, (e) the increasing strength of the NGO/CBO non-profit sector in strength in the delivery of basic services; (f) limitations of the of the new public management

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3 approaches in addressing only issues of efficiency (such as by greater involvement of the  
4 private sector in service provision)<sup>3</sup> and not the wider dimensions of local governance.  
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9 In this paper, we draw from these three perspectives of structure/space (Rondinelli et al.,  
10 1984), roles (Cohen et al., 1999), and multi-actor (Helmsing, 2000), to ascertain the  
11 dimensions of water and sanitation in Ghana. We note that in spite of differences in  
12 emphasis, there is consensus on some issues for analysis, particularly in ascertaining the  
13 form that decentralization takes as well as the emerging types; examination of clarity in  
14 the definition and distribution of roles in service delivery, and determining evidence of  
15 sequencing towards a given strategy; and whether a given type of decentralization has the  
16 potential to yield better results.  
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### 23 24 25 **Data sources**

26 We collected data from three sources: (a) official records of public sector agencies, firms  
27 and civil society managers of basic services delivery; (b) interviews with public sector,  
28 firms and civil society managers of basic service delivery; (c) a household survey in two  
29 districts in the northern part of Ghana, Tamale and Savelugu-Nanton<sup>4</sup> (see Map 1) that  
30 represent the two approaches to the delivery of water in Ghana. Tamale is a one town  
31 district. Provision of water in Tamale is by a public utility, the Ghana Water Company  
32 Limited. Provision of sanitation in Tamale is by local government. Savelugu-Nanton on  
33 the other hand is a semi-urban district (has five towns and rural areas). Provision of water  
34 is a joint responsibility of local government and the Community Water and Sanitation  
35 Agency (a central government technical support and fund mobilising agency). Provision  
36 of sanitation is by local government. We interviewed a sample of 766 households from  
37 the two districts, 402 from Tamale and 364 from Savelugu-Nanton<sup>5</sup>. The characteristics  
38 of the sample are summarised in Annex 1.  
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51 Map 1: Ghana and the two study districts  
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## Analysis

Our analytical framework, how decentralization influences the delivery of basic services, is derived from the logic model of inputs-immediate effects-outputs-outcomes<sup>6</sup>. The main elements of our framework are that: (a) underlying legislation and subsequent policies serve as *inputs*; (b) the emerging type of decentralization and distribution of roles are the *immediate effects*; (c) the emerging institutional approaches to service delivery (monopoly, distributed monopoly, pluralism) at the decentralised level of governance are the *outputs*; and, (d) the effects on performance in the delivery of services serve are *outcomes*.

## Analytical Framework

### (i) Underlying legislation and subsequent policies

Ghana has experimented with various forms and types of decentralization since its colonisation by the British. However, the current forms and types are very much the result of the most recent decentralization reform, which started in 1988. In 1988, the

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Government embarked on the implementation of a new policy to decentralise the system of Government with the enactment of the Local Government Law, 1988 (PNDC Law 207) and later, through its revised version Local Government Act of 1993, Act 463. The thrust of the law was to devolve power and resources to the district level and to promote popular participation in governance (Ayee, 1997). Furthermore, the main features of the decentralization policy were enshrined in the 1992 Constitution of Ghana. Provisions of the Constitution suggest a framework almost akin to *devolution* of decision-making responsibilities to District Assemblies, “for all matters regarding people of their districts” (Republic of Ghana, 1992). The Constitution establishes a framework for local control over human and financial resources that are necessary for development at that level. An apparent exception is in political decentralization where central control is exercised in the appointment of the mayor and a third of councillors (MLGRD, 1996; MLGRD, 1999; MLGRD, 2002).

Pursuing the decentralization reform in terms of what it means for the existing water and sanitation delivery agencies has however been a slow and somewhat confusing exercise (Laryea-Adjei, 2006). The Government of Ghana embarked on restructuring the water and sanitation sector in the 1990s (after the most recent decentralization reform started). The approach was to separate management of piped water in cities from those in small towns and rural districts. Management of sanitation was also separated from urban water provision and placed under local governments (District Assemblies) and a central government agency, the Community Water and Sanitation Agency (CWSA) (Yakubu, 2003).

Provision of safe water in urban areas is the main task of the Ghana Water Company Limited (GWCL), a public utility. The GWCL is currently being restructured as an autonomous private limited liability company under a management contract (by a private firm). The country’s Public Utilities Regulatory Commission (PURC) has a regulatory role, particularly with regard to tariff setting (Ministry of Works and Housing, 2004).

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3 The Community Water and Sanitation Agency (CWSA) was established by Act 564 of  
4 1998, out of the then Ghana Water and Sewerage Corporation, the nucleus of which  
5 remains today as the Ghana Water Company Limited (CWSA, 2004). It oversees the  
6 provision of water in small towns, semi-urban and rural districts. The CWSA policy on  
7 water provision, unlike that of the GWCL, reflects elements of the country's  
8 decentralization reform. The policy emphasises a central role by local governments and  
9 communities in planning and management. The CWSA mobilises funds for investment  
10 some varying degrees of local co-financing (generally not significant), and also provides  
11 technical assistance to local governments for both provision of water, hygiene education  
12 and introduction of new sanitation technologies (Yakubu, 2003).  
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23 The 1999 "Environmental Sanitation Policy" of government emphasises the role of local  
24 governments in planning and managing sanitation services. However, the policy  
25 acknowledges the need for further work on how to harmonise the activities of various  
26 central government agencies in involved in sanitation management with those of local  
27 governments (MLGRD, 1999).  
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### 33 *Type of decentralization and institutional strategy for service provision*

34 As stated earlier, our chief concern, in this paper, is the extent to which the devolution  
35 objective of the country's Constitution is reflected in reforms in the provision of water  
36 and sanitation in districts. On the basis of primary data, we develop and apply a set of  
37 indicators for assessing the main forms of decentralization (political, administrative and  
38 fiscal decentralization) as well as indicators of the concentration/distribution of roles in  
39 service delivery (indicators of roles distribution and partnerships<sup>7</sup>). Our choice of  
40 indicators is guided by three considerations: (a) lessons concerning the choice of  
41 indicators from the general literature<sup>8</sup>; (b) interest in progress on the ground and just not  
42 accept what is stated in policy documents; (c) going beyond legal or civil service  
43 traditions that are common to all districts in the country. For example, under political  
44 decentralization, we do not use the "election/appointment of the mayor/councillors" as an  
45 indicator because this applies to all districts in country; instead we use indicator of  
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“participation of consumers and civic associations in various levels/stages of service delivery”. Our indicators are summarised in Table.1.

Table 1: Assessing decentralization and institutional strategy

Feature	Indicators
Political	<ul style="list-style-type: none"> <li>• Involvement of consumers in stages of service delivery</li> <li>• Involvement of civic associations in stages of service delivery</li> </ul>
Administrative decentralization, Role distribution &	<ul style="list-style-type: none"> <li>• Responsibility for hiring, firing and wages over staff</li> <li>• Clarity of responsibilities</li> <li>• Local responsibility for planning, O&amp;M</li> <li>• Responsibility for regulatory framework</li> </ul>
Partnerships	<ul style="list-style-type: none"> <li>• Responsibility for managing partnerships</li> <li>• Responsibilities devolved to partner</li> <li>• Capacity to manage partnerships</li> <li>• Co-financing arrangement</li> </ul>
Fiscal	<ul style="list-style-type: none"> <li>• Local expenditure on sector financed and earmarked by central transfers</li> <li>• Local expenditure on sector financed by central but controlled by district</li> <li>• Local investment on sector financed from local revenues</li> <li>• Share of revenue in sector raised and retained by district</li> </ul>

Overall, we find that the *immediate effects* of legislation and policies are service delivery systems that are more decentralised and plural in Savelugu-Nanton than in Tamale. This is particularly so for water, where GWCL has a deconcentrated approach to service delivery and has no partnership arrangement with local government, the Tamale Municipal Assembly (TMA); and where the TMA has also not initiated any partnership arrangement with the GWCL to improve the delivery of water. Regarding sanitation, both Savelugu-Nanton and Tamale have similar approaches to the delivery of sanitation, which can be described as moving towards greater decentralization, but with responsibilities for staffing and in a partial way, funding, managed from above. We also ascertain that pluralism is beginning to emerge in the provision of sanitation in Savelugu-Nanton more than in Tamale. Tamale has roles for service provision largely concentrated in the government structure.

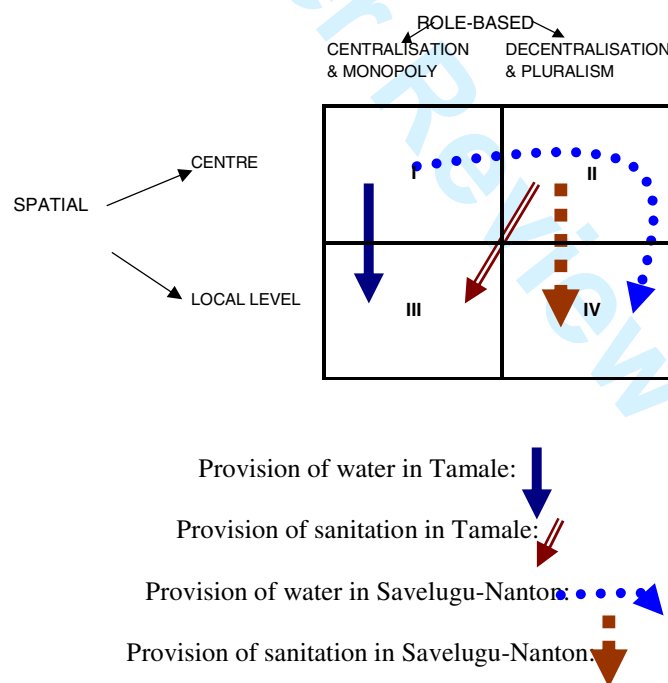
In terms of *outputs*, our analysis shows that the provision of water and sanitation in Savelugu-Nanton is through *delegation* and *pluralism* at the decentralized level of government. Roles are shared by more than one governmental institution, NGOs, private sector firms and community organizations. Roles are also spatially decentralised. Plural

arrangements in Savelugu-Nanton have brought opportunities for service delivery - in the form of skills and resources from other actors who are not controlled by government.

In Tamale, water provision is through a combination of *distributed monopoly* and *deconcentration*. Roles are concentrated in the structure of the GWCL, but spatially distributed from its headquarters in Accra to Tamale. Provision of sanitation in Tamale is through *delegation* and *distributed monopoly* within the government structure, with signs of a transition to pluralism (mainly through contracting out management of one third of the public sanitation facilities).

After applying our analytical framework, we demonstrate in Figure 2 how decentralization and pluralism have emerged in the two study districts in the provision of water and sanitation, including the evolution path that they have followed.

**Figure 2: Evolution of decentralization in the two districts**



We further note that extremely limited fiscal decentralization as well as control of local government staff by the centre are disincentives for devolution in the two districts. We

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3 therefore observe that the design and implementation of reforms have led to a *hybrid of*  
4 *types* of decentralization for the provision of each service and a more intricate hybrid for  
5 a combination of services. Furthermore, the existence of pluralism differs in each of the  
6 two districts, even for the same service.  
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### 10 11 ***Reasons for differences in decentralization in the two districts***

12 We assessed reasons for differences in types of decentralization and distribution of roles  
13 through key informant's interview, mainly involving managers of water and sanitation  
14 services at all levels of governance. The key informants' interview provided an  
15 opportunity to discuss the role that legislation, national policy and other factors play in  
16 determining the type of decentralization and distribution of roles in service delivery. The  
17 first reason provided is that the two main public agencies for delivery of water have  
18 different approaches, with CWSA seeking a role for local government in service delivery,  
19 and the GWCL operating in a deconcentrated manner. Tamale falls under the more  
20 centralised GWCL system and Savelugu-Nanton, the more decentralised CWSA system.  
21 The inference is that policies for delivery of basic services have all not been revised to  
22 support the objective of decentralization. Provision of water in towns like Tamale is in  
23 the hands of GWCL the public utility, which does not involve local governments in  
24 service delivery. Provision of water in smaller towns and semi-urban districts like  
25 Savelugu-Nanton have both local government and the CWSA sharing the leadership role  
26 for service provision, a feature that is more in line with the decentralization policy.  
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42 The second reason given by key informants for the differences in decentralization is the  
43 role that local governments choose to play in the delivery of services, that is, the ability to  
44 take advantages of decentralization reform to play more active roles in service provision.  
45 As we can see in the case of water provision in Table 2, local government in Savelugu-  
46 Nanton (SNDA) plays an active role in most of the key roles in service provision, unlike  
47 the case of the Tamale Municipal Assembly. Provision of water in Tamale is largely  
48 concentrated in the GWCL structure. The TMA plays a more active role in the provision  
49 of sanitation though less than that of the SNDA. Key informants and municipal records  
50 indicate that the Savelugu-Nanton District Assembly (SNDA) commenced promoting  
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plural arrangements for the provision of basic services before the CWSA approach took shape in the district. Key informants attributed this to: (a) the deep poverty in the district which called for more local action; (b) high prevalence of diseases which called for partnerships; (c) donor interest in the district because of the extent of poverty; and, (d) the newness of the district<sup>9</sup>, which stimulated a high expectation of local government among citizens. The SNDA, with the support of its partners, has subsequently enhanced its leadership and brokerage roles in the provision of water and sanitation services. This is demonstrated by its ability to organise and lead participatory planning and monitoring meetings, pool skills from NGOs and the private sector for specific tasks and mobilise financial resources from a wide range of actors for service provision. We found out that staff of the SNDA have a posture of expediting the work of other agencies (state and non-state) involved in direct service provision. Leadership and brokerage roles are much less evident in the TMA.

**Table 2: Distribution of roles in provision of water**

	SNDA	TMA	GWCL	CWSA	MWH	PURC	Non state partners in SNDA*	Non state partners in TMA*
Leadership	x		x	x				
Policy formulation					x			
Planning	x		x	x			x	
Budgeting	x		x	x			x	
Financing	x						x	Extremely limited role
Operation & Maintenance	x		x				x	Extremely limited role
Brokerage	x			x				
Oversight	x		x		x			
Regulation	x			x		x		

\* That is, where they play a significant role

Sources: Government records and authors' key informants' and focus group discussions

The third reason mentioned for the current type of decentralisation is the roles that external partners play in service provision. International development partners have in particular been attracted to provide long-term assistance in Savelugu-Nanton because of its more plural arrangements, that is, in addition to their concerns about poverty levels. Development partners support the leadership and brokerage roles of the SNDA through training, development of tools and on a lesser basis, use of consultants. Support is both

demand-driven as well donor-driven. Development partners usually insist on changes in management practices viewed as negative to their investment in the district. Despite their role, interviews with development partners indicate that Savelugu-Nanton has been more proactive in seeking support, and for specific tasks, than Tamale. The SNDA, for example, has a practice of requesting their partners to provide their response to the district problems during participatory planning meetings. District staff visit donors to learn of their programs and to seek support. The TMA has no such practice. Participatory planning and monitoring appears to have improved transparency in decision-making and resource allocation by the SNDA.

### Indications of performance of the two districts

Our indicators of outcomes related to performance of the water and sanitation sector in the two districts concern the 1998-2003 period. We used four criteria to assess performance: effectiveness, efficiency, accountability and sustainability. Through these indicators, we now relate the types of decentralization in the two districts to performance. Our indicators are summarised in Table 3.

**Table 3: Criteria for assessing performance**

Criteria	Indicators
Effectiveness	a) changes in coverage of services b) reliability of service provision
Efficiency	c) changes in loss of water d) time taken to repair broken-down facilities e) investment per capita in service provision
Accountability	f) participation of civic associations in planning, financing and management of services g) frequency of audits h) number of times audit reports are discussed at District Assembly meetings
Sustainability	i) use of local skills in operation and maintenance j) proportion of local financing in new investments

Our findings show that Savelugu-Nanton is generally more effective than Tamale (for the 1998-2003 period), particularly in increasing the coverage and reliability of water to the benefit of users (see Table 4). The District-managed Savelugu Water Board, which exhibits features of delegation and pluralism, provides longer periods of water supply than the deconcentrated Tamale GWCL. The population covered by safe water has also seen tremendous growth in Savelugu-Nanton while stagnating in Tamale.



**Table 4: Performance in terms of effectiveness**

Indicator	Tamale	Savelugu-Nanton
Coverage of safe water	% change 1998-2003 = 0	% change 1998-2003 = 263
Reliability of flow of water	Days a week: 5 (1998) to 2.3 (2003); increased rationing	Days a week: >1 (1998) to 3 (2003)
Coverage of safe sanitation	% change 1998-2003 = 59	% change 1998-2003 = 42
Compounds with clean environment	2003 data only: 31%	2003 data only: 35%

Sources: Authors' household survey; government records

We also find Savelugu-Nanton to be generally more efficient in the provision of water and sanitation, particularly in minimizing water loss and in mobilising both local and external resources for investment (see Table 4). Furthermore, our study reveals that households with better response time for broken down water points are more likely to be using community and district managed systems rather than relying on the GWCL for maintenance.

**Table 5: Performance in terms of Efficiency**

Indicator	Tamale	Savelugu-Nanton
% water lost: 2003 level	48%	10%
Repair time: 2003 level	2 days	2.5 days
Repair time: trend (1998-2003)	No change	Reduced by 64%
Investment per capita: level	About half of national average (2001-2003)	2,500 cedis above national average (2001-2003)

Sources: Authors' household survey; government records

Savelugu-Nanton also performs better than Tamale in terms of local accountability (Table 6). Savelugu-Nanton promotes more participation and better flow of information in the provision of services. This is essentially due to plural arrangements that have been adopted by the district for the provision of services. On the other hand, the Tamale approach promotes concentration of information and roles in the government structure, a feature that restricts accountability to consumers. In addition, our study shows that households who participated in decision-making are more likely to have clean compounds. Households not involved in participation are also not likely to have taken part in reviewing monitoring reports on service provision. The more decentralised Savelugu-Nanton has more households who are involved in both decision-making on service provision as well as in reviewing monitoring reports

**Table 6: Accountability**

Indicator	Tamale	Savelugu-Nanton
Mechanisms for participation	Announcements through electronic media	Community organisations and electronic media
Frequency of government audit (1998-2003)	No change: once a year	No change: once a year
Local government's response to audit (1998-2003)	No change: only the Mayor and Presiding Member of the District Assembly have knowledge	No change: only the Mayor and Presiding Member of the District Assembly have knowledge
% respondents with knowledge of components of price of water (2003)	37%	48%
% respondents ever received feedback on monitoring (2003)	2%	32%

Source: Authors' household survey; government records

Sustainability appears to be a challenge for both Tamale and Savelugu-Nanton approaches. The Savelugu-Nanton approach has the strength of using local skills for operation and maintenance, unlike Tamale, which relies heavily on skills from outside the district. Both cases also rely extensively on foreign support to expand their systems (see Table 7).

**Table 7: Sustainability**

Indicator	Tamale	Savelugu-Nanton
Proportion local contribution to investment (2003)	8%	7%
Per capita local (DA+community) investment in water and sanitation (cedis 2001-2003)	1,684	4,301
Use of local skills (2003)	Skills mostly from outside district	Skills mostly local

Source: Authors' household survey; government records

Thus, the more plural and decentralised approach to service delivery in Savelugu-Nanton appears to be yielding better performance than the case of distributed monopoly or concentration of roles in the government structure in Tamale.

### ***Why Savelugu-Nanton is doing better***

We explored through qualitative techniques, including key informants interviews and focus group discussions with experts in Ghana as well as users why Savelugu-Nanton is doing better in terms of *effectiveness*, *efficiency* and *accountability*; and why it is not

1  
2  
3 lagging behind Tamale in terms of *sustainability*. We learn that the Savelugu-Nanton  
4 draws its strengths from the following:  
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- 7 a) Roles that local government (the Savelugu-Nanton District Assembly) has  
8 decided to play in the provision of basic services, particularly leadership,  
9 brokerage and oversight roles. The Savelugu-Nanton District Assembly has in this  
10 regard developed instruments to pool skills and funds from other actors for the  
11 provision of basic services.  
12  
13 b) Adoption of manageable scale and technology for providing services within the  
14 context of available local capacity (capacity available in the area, both in and out  
15 of government); Savelugu-Nanton utilises diverse technology to provide water –  
16 from shallow to deep wells, wells to piped systems, indoor to public fountains,  
17 depending on the availability of local skills for management as well as on  
18 affordability. The adoption of manageable scale and technology has been possible  
19 because of the brokerage role played by local government and the use of a plural  
20 approach to service delivery;  
21  
22 c) Service provision that is decentralised to the lowest level of governance on the  
23 basis of efficiency considerations, which include the ability of the Water Board to  
24 collect user charges and to promptly repair broken down facilities.  
25  
26 d) Formulation of a clear objective of deepening local accountability of the service  
27 provider through the design of a water system that is accountable to local  
28 government and not to a distant national public utility. Through this arrangement,  
29 the Savelugu Water Board is able to convince consumers to pay more than user  
30 charges approved by the national Public Utility Regulatory Commission (but less  
31 than cost of vendor services). Thus, the Savelugu Water Board fully finances its  
32 operation and maintenance and increasingly, its expansion costs. Accountability  
33 to local government is also promoted by the adopted scale of service provision.  
34  
35 e) Setting up of well defined plural arrangements for mobilising technical assistance  
36 and funds from NGOs, private consultants, central government and international  
37 aid agencies. Local managers indicate that Savelugu-Nanton had no choice but to  
38 “open up” to a variety of actors, including non state actors to provide safe water  
39 due to its lack of skills and funds.  
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## Conclusions

We conclude the paper with policy implications for the design and implementation of decentralization reform. The first is the need to ensure that laws establishing service delivery agencies and possible partnership arrangements are consistent with the specific laws that set out the nature of decentralization reform.

The second policy implication of our study is the need for a conscious implementation plan in support of decentralization laws and policies. As noted from the two cases, there is likely to be a deviation from the original objective of decentralization if there is no conscious adherence to a road-map or sequencing plan. The road-map should include details of how and when to implement the various forms of decentralization and should be monitored at frequent intervals.

The third policy implication regards the question of appropriate roles by local government. While such roles should be determined by the economic characteristics of the service in question, we have highlighted the success by local government in playing leadership, brokerage and oversight roles in the provision of services, while partnering with civil society, central government agencies and private firms to ensure that other service delivery roles are performed well.

Overall, we have learnt about factors that stand out as influencing performance and conclude by emphasising the following in the design of central-local relations in the provision of basic services in Ghana. The first is to ensure that decentralization reform covers all forms (political, fiscal and administrative) in a simultaneous way, so that the resulting type of decentralization meets the challenges of service provision at the local level. The second is to deepen pluralism in the provision of basic services. We have observed that pluralism performs better than distributed monopoly by public utilities. The third is to match the preferred scale and technology for providing services with available local capacity (capacity available in the area, both in and out of government). Fourthly, the decentralisation reforms should deepen local accountability in the provision of basic services. Finally, assigning leadership, brokerage and oversight roles for local

government in the design of decentralisation reforms is critical for expanding basic services.

**Annex 1: Characteristics of households in the sample**

	Savelugu-Nanton		Tamale	
	No.	%	No.	%
Household head:				
Male	231	63.5	216	53.7
Female	133	36.5	186	46.3
Total	364	100	402	100
Mean household size:				
Male	7.8		6.5	
Female	7.7		7.1	
Total	15.5		13.6	
Proportion of household members that were women		49.6		52.1
Proportion of household members that were men		50.4		47.9

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#### 53 **Endnotes**

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55 <sup>1</sup> Particularly: Cheema and Rondinelli, eds. (1983); Rondinelli, Nellis and Cheema, (1984); Silverman  
56 (1992); and Rondinelli (1999).

57  
58 <sup>2</sup> Other schools emphasise spatial forms of decentralization. We treat this as a geographical manifestation  
59 of the three main forms. Others also emphasise market decentralization, which basically refers deregulation  
60 and privatization in the economic literature. See Laryea-Adjei (2006) for a fuller discussion of the subject.

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<sup>3</sup> Caiden (1996) discusses in detail views from the New Public Management school.

<sup>4</sup> Tamale has a population of approximately 300,000; Savelugu-Nanton's population is approximately 100,000 (Ghana Statistical Service, 2001).

<sup>5</sup> Household survey was first used by Laryea-Adjei (2006) for his PhD dissertation, which was successfully defended at the Erasmus University, Rotterdam in August 2006.

<sup>6</sup> See Bamberger et al. (2006).

<sup>7</sup> We review partnership arrangements, where they exist, to determine dynamic relationships that pluralism may be yielding, informed by Helmsing (2000) and Awortwi (2004).

<sup>8</sup> The following served as a guide: World Bank (2002), Ndegwa (2002), Cohen and Peterson (1999); Parker (1995).

<sup>9</sup> The Savelugu-Nanton district was established in 1988, having been carved out of the then West Dagomba district, the core of which was also established as the Tamale Municipality.

For Peer Review