



POSITION PAPER ON THE PROPOSED TARIFF INCREMENTS BY STATE-OWNED UTILITY COMPANIES

SUBMITTED BY: Centre of Posterity Interest Organization (COPIO)

TO: The Chief of Staff, Office of the President, Republic of Ghana

DATE:

EXECUTIVE SUMMARY

The Centre of Posterity Interest Organization (COPIO) respectfully submits this position paper to register our strong opposition to the steep tariff increments being proposed by state-owned utility companies. These proposed adjustments, if approved, will have far-reaching negative implications for Ghana's economic competitiveness, the sustainability of businesses, and the welfare of vulnerable households, particularly women and children.

While COPIO acknowledges the financial and operational challenges facing the utility companies, we believe these steep adjustments, without first addressing inefficiencies and governance gaps, are disproportionate, unjust, and inconsistent with Ghana's socio-economic realities.

BACKGROUND

Several state-owned utility companies have submitted proposals to the Public Utilities Regulatory Commission (PURC), each seeking significant tariff adjustments to sustain operations, improve infrastructure, and ensure long-term service delivery. According to the companies, the proposed adjustments are necessary due to underlying operational challenges and the environmental destruction caused by illegal mining (galamsey).

- **Electricity Company of Ghana (ECG):** Proposed a 225% increase in its Distribution Service Charge (DSC1) for the 2025–2029 regulatory period, arguing that the increment is critical to avert financial collapse, strengthen infrastructure, and improve the reliability of electricity supply.
- **Ghana Water Company Limited (GWCL):** Proposed a 280% hike in water tariffs, attributing the request to the rising cost of treating water due to illegal mining (galamsey) and widespread pollution of water bodies.
- **Ghana National Gas Company (Ghana Gas):** Proposed a 91% adjustment, saying the increment is necessary to sustain operations, expand infrastructure, and ensure reliable natural gas transmission.
- **Ghana Grid Company (GRIDCo):** Proposed a 130% adjustment, arguing that the current tariff is inadequate and stressing the need for cost-reflective rates.



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At COPIO, we believe that empowering women, youth, and vulnerable groups with skills, information, and opportunities is essential for building resilient, equitable, and sustainable communities. In the context of this position paper, we emphasize that economic and social policies, such as utility tariff adjustments must consider their disproportionate impact on women-led households, small businesses, and rural communities. COPIO is an alliance of rural community women, youth, children, and the aged who work together to combat sexual and gender-based violence, advocate for equity in governance, and promote inclusive public empowerment.

KEY CONCERNS

1. Burden on Businesses and Economic Competitiveness

- The proposed increments will drastically increase the cost of production for local businesses, especially small and medium enterprises (SMEs) that are already struggling under high inflation, currency depreciation, and limited access to credit.
- Higher utility costs will undermine Ghana's competitiveness within the ECOWAS sub-region, making local products less attractive and potentially collapsing many businesses.

2. Negative Impact on Households, Women, and the Vulnerable

- Utilities are not luxuries; they are necessities for modern life. These steep increases will translate into unbearable bills for ordinary households.
- Women, who are the primary managers of households, will face heightened financial strain as they balance food, education, and healthcare needs with inflated utility costs.
- Vulnerable groups, including low-income earners and the elderly, risk being pushed deeper into poverty, further widening inequality.

3. Posterity and Intergenerational Equity

- COPIO believes policies must safeguard the future, not mortgage it. Imposing such steep burdens today risks stifling innovation, discouraging entrepreneurship, and creating long-term socio-economic setbacks for the next generation.



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4. Alternative Inefficiencies and Governance Gaps

- The financial difficulties facing ECG, GWCL, Ghana Gas, and GRIDCo stem not only from tariff inadequacies but also from inefficiencies in revenue collection, technical losses, corruption, and weak governance structures.
- Without addressing these systemic inefficiencies, merely passing the burden onto consumers will not yield sustainable solutions.

RECOMMENDATIONS

COPIO respectfully urges government to:

1. Reject the extreme tariff increments and mandate the utility companies to present more reasonable, phased adjustments that balance financial sustainability with consumer protection.
2. Institute comprehensive efficiency reforms within the utility companies, including improved metering systems, reduction of transmission and distribution losses, and stronger accountability mechanisms.
3. Support businesses through incentives such as targeted subsidies for SMEs and renewable energy adoption to cushion them against energy shocks.
4. Protect vulnerable households, particularly women-led households, by expanding lifeline tariffs and ensuring affordable access to water, electricity, and gas.
5. Encourage renewable energy investments and sustainable water management as medium-term strategies to diversify Ghana's energy mix, reduce dependency on costly thermal generation, and address the effects of environmental degradation caused by galamsey.

CONCLUSION

The Centre of Posterity Interest Organization firmly believes that utility pricing must be guided by the principles of fairness, equity, and sustainability. The proposed tariff increments are excessive and inconsistent with Ghana's socio-economic aspirations.

COPIO calls on the Office of the President, through the Chief of Staff, to intervene and ensure that utility tariffs remain affordable, businesses remain competitive, and vulnerable households are protected.

For posterity, for equity, and for the future of Ghana, these increments must not be allowed in their current form.

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