

IN THE THIRD MEETING OF THE THIRD SESSION OF THE SEVENTH PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA

**REPORT OF THE FINANCE COMMITTEE ON THE FINANCING AGREEMENT
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA AND THE
INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA) OF THE WORLD
BANK GROUP FOR AN AMOUNT EQUIVALENT TO ONE HUNDRED AND
FORTY-FOUR MILLION, ONE HUNDRED THOUSAND SPECIAL DRAWING
RIGHTS (SDR 144,100,000) [EQUIVALENT TO US\$200 MILLION] TO
FINANCE THE PROPOSED GREATER ACCRA RESILIENT AND
INTEGRATED DEVELOPMENT PROJECT (GARID)**

1.0 INTRODUCTION

The Financing Agreement between the Government of the Republic of Ghana and the International Development Association (IDA) of the World Bank Group for an amount equivalent to One Hundred and Forty-Four Million, One Hundred Thousand Special Drawing Rights (SDR 144,100,000) [equivalent to US\$200 Million] to finance the Proposed Greater Accra Resilient and Integrated Development Project (GARID) was laid in the House on Thursday, 7th November, 2019 by the Hon. Deputy Minister for Finance, Mrs. Abena Osei-Asare on behalf the Minister responsible for Finance.

Rt. Hon. Speaker referred the above agreement to the Finance Committee for consideration and report.

The Committee met with a Deputy Minister for Finance, Hon Mrs. Abena Osei-Asare, a Deputy Minister for Works and Housing, Hon. Eugene Boakye Antwi, a

Deputy Minister for Sanitation and Water Resources, Hon. Patrick Boamah, a Deputy Minister for Local Government and Rural Development, Hon. Kwesi Adjei Boateng and officers from the Ministry of Finance, the Ministry of Works and Housing, the Ministry of Sanitation and Water Resources, the Ministry of Inner Cities and Zongo Development and the Ministry of Local Government and Rural Development.

2.0 DOCUMENTS REFERRED TO

The Committee referred to the following Documents:

1. The 1992 Constitution
2. The Public Financial Management Act, 2019 (Act 921), and
3. The Standing Orders of the Parliament of Ghana

3.0 BACKGROUND

Climate change has become one of the biggest challenges of this century, triggering global efforts to finding solutions to the menace including mitigation and adaption measures. There are very clear signs of the direct manifestations of climate change in the world in the areas of increased temperatures, rainfall variability, sea-level rise and coastal erosion, among others.

Unfavorable weather events present threats to national development and economic growth. In Ghana, flooding for instance has been a major setback in both urban and rural areas in the last decade. Statistics have demonstrated that flood events negatively impact on lives, livelihoods, human settlements, natural resources and infrastructure. The November 2007, June 2010 and June 2015 floods demonstrated how climate change can reverse development gains.

In the aftermath of the June 3, 2015 floods, there was a renewed commitment by Government and all key stakeholders to prioritize issues that are crucial for resilient urban development and flood mitigation. The commitment to reduce the vulnerability of people, livelihoods, property and the economy at large to flood-related risks led to the development of the Greater Accra Spatial Development

Framework (2017-2032) and the City Strength Diagnostics (2017). These documents are to provide clear strategic direction for resilient urban development within the Greater Accra Region (GAR).

It has been observed that flooding occurring in the GAR is usually severe along the Odaw River Basin and the following factors have been attributed to it:

- **Climate Change, poor Drainage and low Topography:** Several factors contribute to flooding along the Odaw river basin; these include heavy rains, high sea levels, low capacity of drains, heavy silting, erosion, waste accumulation and poor drainage in built-up areas. During the 2015 floods, the business and industrial areas around Circle and Kaneshie were heavily affected. Modelling results shows that the floodwater which accumulated there was due to the flat landscape, low altitude and lack of discharge capacity of the Odaw drain.
- **Poor Solid Waste Management:** The GAR generates between 2,500 and 3,000 tons of solid waste daily. It is estimated that about 75% of this waste is collected. However, low-income communities are mostly underserved, resulting in households sending their waste to central communal containers, coupled with limited collection points and transfer stations, the waste collected commonly ends up in open drains, watercourses, streams or illegal dumpsites, which causes higher flooding impacts.
- **Informal Settlements, Low-Income and Zongo Communities:** The urban poor in the GAR tend to reside in low-lying areas, often informal settlements associated with overcrowding and poor access to basic services. Informal dwellers make up 38.4% of the population within the Accra Metropolitan Assembly (AMA). Access to basic services like solid waste collection and drainage management is limited and these contribute to blockage of drains which result in flooding. The poor urban households are therefore, usually more affected by flood impacts than the rest of the population.

- Metropolitan Level Integrated Planning and Coordination: Flood risk management requires inter-jurisdictional integrated planning and coordination as an action in upstream Metropolitan, Municipal and District Assemblies (MMDAs) can affect flooding impact downstream. Each MMDA however is a planning authority with its budgets and institutional frameworks. Through, the Greater Accra Regional Coordination Council (GARCC) is responsible for coordinating the work of the Assemblies, the coordination mechanisms for integrated urban planning, service delivery and spill-over effects among the Twenty-Nine (29) MMDAs in the region remain weak. The weak coordination adversely affects response to flooding and the delivery of essential urban services including solid waste, sanitation, drainage, land use planning and controls of illegal structures on the flood plains.

Given the magnitude of the challenges identified and the need to put in place resilient measures to resolve the flooding problem and to protect lives and properties, Government established the Greater Accra Resilient and Integrated Development Project (GARID). GARID has been designed to address the perennial flooding in the GAR and improve the livelihood of residents in the region. In order to implement the project, the International Development Association has agreed to provide funding for the project. It is this agreement that is currently before the House for approval.

3.0 OBJECT OF THE PROJECT

The Object of the project is to improve flood risk management and solid waste management in the Odaw River Basin of the Greater Accra Region (GAR) and improve access to basic infrastructure and services in the targeted communities within the Basin.

4.0 PROJECT DESCRIPTION

The Project is structured around Five (5) components as described below:

- i. **Component 1 covers Climate Resilient Drainage and Flood Mitigation Measures (US\$92M)**: This component is to be led by the Ministry of Works and Housing (MWH). It aims at developing sustainable capacity for flood risk management and mitigating the flood risk by implementing a strategy that combines structural and non-structural measures.
- ii. **Component 2 will deal with Solid Waste Management Capacity Improvements (US\$42.2M)**: This component is led by Ministry of Sanitation and Water Resources (MSWR) and aims at reducing the amount of solid waste flowing into the primary Odaw channel. The interventions under the component include community-based solid waste management interventions in targeted low-income communities including a major outreach program to sensitize and improve public behavior on solid waste management, improved litter management, construction of waste transfer stations, capping of old dump sites and final solid waste disposal capacity improvements.
- iii. **Component 3 deals with Participatory Upgrading of targeted Flood Prone Low-income Communities and Local Government Support (US\$58.8M)**: The Ministry of Inner City and Zongo Development (MICZD) and the Ministry of Local Government and Rural Development (MLGRD) in collaboration with participating Metropolitan and Municipal Assemblies (MMAs) will jointly lead the implementation of this component. The aim of this component is to reduce vulnerability, strengthen climate resilience to flooding, enhance public service provision in selected low-income communities and improve metropolitan planning and coordination, as well as operation and maintenance of drainage infrastructure in Odaw River Basin. The participating communities, Nima, Akweteman, Alobgoshie and Alajo were selected based on their vulnerability to flooding, income levels, access to basic services and ability to show tangible results for public support and replication.
- iv. **Component 4 deals with Project Management (US\$7M)**: this component supports project management activities of implementing entities and

preparatory studies for the subsequent phases of the SOP. This include technical assistance equipment, training and operating costs for the Project Coordination Unit (PCU), Project Implementation Units (PIU) in Implementing Agencies and Municipal Planning and Coordination Units (MPCUs) in MMAs.

v. **Component 5: Contingent Emergency Response Component (US\$0M):**

A no-cost Contingent Emergency Response Component (CERC) is included to enable rapid reallocation of funding between project components, following an emergency. By integrating a CERC into this Project, the level of disaster preparedness is strengthened.

5.0 TERMS AND CONDITIONS OF THE LOAN

The terms and conditions of the Loan are as follows:

Loan Amount	-	US\$200.0 million equivalent
Interest Charge	-	1.25% p.a.
Service Charge	-	0.75% p.a.
Maximum Commitment Charge (this is waived for FY19)	-	0.5% p.a.
Maturity Period (including 5years grace period)	-	30years
Grant Element	-	33.23%

6.0 OBSERVATIONS

6.1 Rationale for the Project

The Committee was informed that the GARID project was to improve the flood risks and solid waste management in the Greater Accra Region. The flooding events in the past decades have led to the loss of lives, caused major damages to property and livelihoods. The project will help mitigate the impact of floods on families, businesses and offices located in flood prone areas in Accra thereby

enhancing economic and social development as well as helping to achieve Goal 13 of the Sustainable Development Goals (SDGs) which is on Climate action.

The Committee was informed that under the project, the indiscriminate dumping of refuse and the plastic waste menace will be greatly controlled thereby reducing these waste that end up in the sea.

6.2 Expected Benefits of the Project

The Committee observed that the expected benefits of the project will include:

- Improved Flood Safety and Preparedness as the project will ensure sustainable capacity for flood risk management and will reduce the flood occurrence risk within the Odaw River Basin to once in every Ten (10) years. About 161,000 people, businesses and offices will benefit from the structural flood mitigation measures.
- About 500,000 people from low-income communities will benefit from solid waste collection improvements and final disposal capacity improvements through the creation of landfills.
- Improved Basic Infrastructure and services in Targeted Communities as about 73,000 people from low income communities at high risk of flooding will benefit from improved basic infrastructure and services.
- Upgrading some of the poorest settlements in the Odaw river Basin. Vulnerability to flooding and exposure to pathogens will be significantly reduced.
- Improved basic infrastructure as household welfare will be enhanced by the upgrading of some of the poorest settlements within the project area.

6.3 Cause of Flooding of the Odaw Basin

The Committee was informed that the Government commissioned a study into the causes of flooding of the Odaw Basin. The study revealed that several factors contributed to the flooding of the Odaw basin including heavy rains, high sea levels, limited and low capacity of the drains, heavy silting and waste accumulation, poor drainage in built up areas and unregulated land use.

In addition, the floods situation is worsen by the closure of the gates of the interceptor weir in Korle Lagoon. Solid wastes have accumulated behind the weir and bridges crossing the river have created additional barriers which contributes to rising water levels.

6.4 Dredging of the Odaw River Basin

The Committee was informed that the channel is silted up due to lack of dredging. There is therefore the need for regular periodic dredging of the Odaw Basin.

As a result, a Performance-based contract for the dredging of the Basin would be awarded to ensure regular dredging of the Basin. The contract is performance based to ensure that in the event that the facility fails to respond as it should be, the contractor would not be paid. This is to ensure value for money.

6.5 Disposal of Silt Collected from the Odaw Basin

The Committee noted that silt collected from the Odaw basin is placed on the banks of the river which leads to re-silting of the basin.

The technical team stated that under the project, the silt collected from the basin would be sent to a temporal holding point where the silt would be tested. The good silt would be used for construction whilst the bad ones would be used to decommission old landfill sites. No silt would be left on the banks of the river after dredging.

6.6 Payment of Compensation and Resettlement

The Committee was informed that the approach is to minimize dislocation of residents unless it was extremely important to do so. Further the project will also explore participatory resettlement in order to minimize cost but would upgrade some of the poorest settlements in the Odaw Basin. However, where it becomes very necessary, compensation would be paid.

6.7 Waste Collection and Transfer

The Committee observed that solid waste management is a challenge. Most of the waste generated in the GAR ends up in the sea.

The technical team indicated that under the project, community-based solid waste management intervention targeted at low-income and informal communities would be implemented. The programme is to sensitize and improve public behavior on solid waste management. Further, waste transfer stations would be established to haul solid waste from the city to its final disposal sites. Collection equipment including skip trucks, mini trucks and tricycles would be used to collect primary waste from the households to the waste transfer stations.

6.8 Enhancing Early Warning Systems in GAR

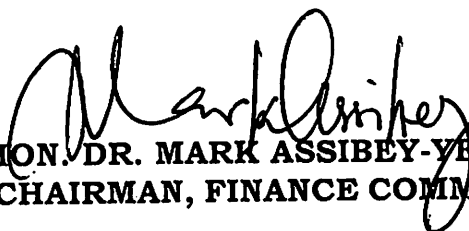
The Committee was informed that under the project, existing flood forecasting systems, early warning and emergency systems for the Greater Accra Region (GAR) would be scaled up and modernized. Community preparedness and awareness will also be enhanced by providing key agencies involved in the hydro-metrological and flood early warning value chain with the needed support to enhance their operations.

7.0 CONCLUSION

In view of the immense benefits to be derived from this project, the Committee recommends to the House to adopt its report and approve the request for approval of the Financing Agreement between the Government of the Republic of Ghana and the International Development Association (IDA) of the World Bank Group for an amount equivalent to One Hundred and Forty-Four Million, One

Hundred thousand Special Drawing Rights (SDR 144,100,000) [equivalent to US\$200 Million] to finance the Proposed Greater Accra Resilient and Integrated Development Project (GARID) in accordance with Article 181 of the 1992 Constitution, Section 56 of the Public Financial Management Act, 2016 (Act 921) and Orders 169 of the Standing Orders of the Parliament of Ghana.

Respectfully Submitted.



HON. DR. MARK ASSIBEY-YEBOAH
(CHAIRMAN, FINANCE COMMITTEE)

15th November, 2019



EVELYN BREFO-BOATENG (MS)
(CLERK, FINANCE COMMITTEE)