

Updated Project Information Document (PID)

Report No: AB584

Project Name	GHANA - Second Urban Environmental Sanitation Project
Region	Africa Regional Office
Sector	Sanitation (100%)
Theme	Other urban development (P)
Project	P082373
Borrower(s)	GOVERNMENT OF GHANA
Implementing Agency(ies)	MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT Address: P.O. Box M 50, Accra, Ghana Contact Person: Director, Local Government Project Support Unit Tel: Fax: 233 21 537 3004 Email:
Environment Category	A (Full Assessment)
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1. Country and Sector Background

The Government's strategy for urban environmental sanitation is embedded in the *Ghana Poverty Reduction Strategy* (GPRS) and elaborated in the *Environmental Sanitation Policy* of 1999. The *Policy* analyzes the causes for the poor sanitation conditions that prevail, lays down the basic principles and objectives for better environmental management, and specifies the institutional responsibilities in the pursuit of these objectives. The Government's [draft] Letter of Sector Policy (LSP) on environmental sanitation confirms these provisions and contains targets and plans for their achievement.

According to the *Environmental Sanitation Policy*, the underlying causes of the unsatisfactory environmental situation are the lack of several constituents: national goals, a defined sub-sector for urban sanitation, sectoral responsibilities, technical capacity in MLGRD, up-to date legislation, enforcement, funding on the national and local government level, and professional staff. In addition it faults the Ministries for transferring the responsibility for environmental sanitation to the Assemblies without a concomitant transfer of resources.

Rapid urbanization requires the creation of ever more facilities, the construction of which depends heavily on central government and donor financing. The Local Government Service Act was passed by Parliament in June 2003, which provides the legal and administrative basis for significant advances on decentralization. The central government is providing subsidies to the MAs for refuse collection, which are particularly large for Accra, and is assisting the MAs to create better institutional arrangements for the management of the urban environment. In principle the responsibility for all urban infrastructure services has been transferred to the local Assemblies under decentralized system. Civil society is also participating in the sensitization on the problems and finding likely solutions, which are the subject of numerous workshops and other public fora.

2. Objectives

The project development objectives are to improve urban living conditions in regard to sanitation, drainage, vehicular access, and solid waste management in a sustainable fashion, with special emphasis on the poor.

3. Rationale for Bank's Involvement

The Second Urban Environmental Sanitation Project (UESP-2) is a repeater project to the Urban Environmental Sanitation Project (UESP-1, Credit No. 2836-GH), which closes on December 31, 2003. In accordance with the procedures for repeater projects, approved by the Board in January 2003, a *Regional Review Panel* was constituted--the first in the Region--to review the advisability of preparing a repeater project. The Panel's recommendation was positive, provided the sustainability issues that had been identified in UESP-1 are adequately addressed in the repeater project.

The Panel's recommendations have been taken into account in the preparation of the project. As an improvement on UESP-1, the MAs will be required to sign a Memorandum of Understanding (MOU) with the Ministry of Local Government and Rural Development (MLGRD) and the Ministry of Finance (MOF) as a condition for their participation in project implementation, which requires them to take certain preparatory measures, and commits them to additional actions in the course of project implementation. It will also specify which activities will be implemented by the MAs which by MLGRD, and will describe the implementation arrangements in detail.

A more comprehensive and environmentally-sustainable approach is being taken in the project to solid waste management, including the preparation of integrated solid waste management strategies by the MAs, support to the operation and monitoring of the new sanitary landfills, and the closure and rehabilitation of the active and discontinued dumps in the project towns. In other respects UESP-2 resembles UESP-1: it has the same components and similar implementation arrangements.

The present assistance provided by other external development partners for urban infrastructure development is limited largely to road and drainage works by AfD. NDF has financed institutional strengthening for urban waste management and has tentatively agreed to do the same for this project.

The unique contribution of Bank in the sector is the integrated approach to urban development, which combines infrastructure provision with capacity building, puts in place systems that are sustainable in the long-term, and covers a whole range of institutional, financial, technical, and environmental reforms. The approach includes improvements in the revenue generation of local governments and increased private sector participation.

4. Description

The project area is comprised of the five largest towns in Ghana: Accra, Kumasi, Sekondi-Takoradi, Tamale, and Tema. It consists of five components, which are the same as those in UESP-1, and addresses the main infrastructure-related aspects of urban environmental management, including institutional and financial capacity building. The subcomponents are high priority items taken from the MAs' Medium-Term Development Plan.

Component 1 - Storm Drainage. Lining of secondary drains, tertiary drains and erosion control. The main target group of this component is the urban population in the 5 towns living and/or working in low-lying areas, which are subject to flooding. Many of these

neighborhoods are characterized by a high population density and low income. About half the drains will be located in Accra because of its low-lying location near the sea. The expected outcome is a reduced frequency, severity, and duration of flooding in low-lying areas.

Component 2 - Sanitation. Subcomponents: (a) construction of household latrines, (b) rehabilitation and construction of public latrines, (c) rehabilitation and construction of school latrines, and (d) liquid waste management in Tema. The main target group is residents in low-income neighborhoods without household latrines, users of public places (such as markets and transport terminals), and school children whose school does not have serviceable latrines. The expected outcome is an increased coverage with latrines for greater convenience and to reduce the spread of diseases.

Component 3 - Solid Waste Management. Subcomponents: (a) construction of 2 new sanitary landfills and completion of another one, (b) equipment for sanitary landfills, (c) improved use, closure, and rehabilitation of dumps, (d) operation of sanitary landfills, (e) private solid waste collection, and (f) household bins, skips and skip pads. The main target group is the entire urban population of the 5 project towns that will benefit from one or the other of these measures. The population residing or working near the present dumps will benefit from better environmental conditions. The expected outcome is an increase in the amount and regularity of refuse collection and disposed of in a technically, institutionally, financially and environmentally sustainable manner.

Component 4 - Community Infrastructure Upgrading. Infrastructure upgrading in low-income communities will consist mainly of access roads, roadside drains, street lighting, water supply, and sanitation). The main target group is the population living and/or working in select low-income communities. The expected outcome is better access to high-density neighborhoods that have been difficult or impossible to access with a motor vehicle, less flooding, erosion and dust, better neighborhood safety at night, fewer water pipe breakages, more registered water consumers, and improved sanitation.

Component 5 - Institutional Strengthening. Subcomponents: (a) technical assistance and training, (b) capacity building in MLGRD and other central agencies, (c) capacity building in MAs, (d) malaria vector control and HIV/AIDS prevention, (e) monitoring of landfills, and (f) reconditioning of waste management equipment. The main target group is the administration (Assembly staff) of the 5 project towns and particularly the staff of the Waste Management Departments (WMDs) and the Environmental Health Departments (EHD). The expected outcome is a greater ability of the Assemblies of the project towns, especially the WMDs, to more effectively and efficiently fulfill their responsibilities in regard to environmental sanitation in the long-term with internally generated resources.

The project also includes Project Management and a Performance-Based Fund. The Performance-Based Fund will be used to make allocations to the MAs for additional activities within the project objectives according to their achievement of the MA Performance Criteria, contained in the MOU. The first evaluation will take place after one year of project implementation and will take place annually.

5. Financing

Source (Total (US\$m))

BORROWER (\$8.57)

IDA (\$62.00)
LOCAL COMMUNITIES (\$3.70)
MUNICIPALITIES OF BORROWING COUNTRY (\$1.41)
NORDIC DEVELOPMENT FUND (\$9.80)
Total Project Cost: \$85.73

6. Implementation

The overall responsibility for project implementation will be with the Ministry of Local Government and Rural Development (MLGRD), since this is the central government agency in charge of local government affairs. Most of the coordination will be done by the Local Government Project Support Unit (LGPSU) in MLGRD, which is staffed partly with consultants and partly with regular staff of MLGRD. LGPSU and the Environmental Sanitation Department of MLGRD will be jointly responsible for the implementation of the Institutional Strengthening component.

Most of the project consists of activities in the five project towns. The activities will be implemented by the Metropolitan/Municipal Assemblies in the project towns, to the extent that they can do so with the existing implementation capacity. The MAs are headed by appointed Metropolitan/Municipal Chief Executives (also called Mayors), whose staff is managed by a Coordinating Director and various heads of departments.

A UESP-2 project team was formed in every MA, the key members of which are the heads of the departments of Waste Management, Environmental Health, Works, Roads, Planning, Town and Country Planning, and in addition the Coordinating Director. One of them is designated as the coordinator. An assessment of the implementation capacity of every MA was made during project preparation. Consideration was given to the caliber of the top managers and their ability to cooperate, and the absorption capacity of the MA for the available assistance, mainly in terms of having developed their own programs and having made good progress with sustainability. The difference in the implementation capacity of the MAs was taken into account in the project design and the implementation arrangements: MLGRD will assist in the implementation of some of the larger civil works. In addition, a portion of the project budget was set aside, to be allocated starting one year after effectiveness, depending on the implementation performance of each MA.

The main beneficiary institution in the MAs will be the Waste Management Department (WMD), which was created under UESP-1 in all towns except for Accra, where it had already existed. It is in charge of all liquid and solid waste management and increasingly of drain maintenance and street cleansing. Closely related to the WMDs are the Environmental Health Departments (EHD), which until the arrival of the WMDs was also in charge of street and drain cleansing.

To clarify the respective roles and to assure the adequate preparedness of the MAs to participate in the project, each MA will sign an MOU with MLGRD and the Ministry of Finance in the beginning of the project and again during the MTR as a condition for it to implement its assigned subcomponents. An implementation plan for the MAs will be part of the MOU and will specify the principles and procedures to be followed by every MA in the implementation of its part of the project.

7. Sustainability

Waste management is one of the most frequently raised concern by people in urban areas and by government representatives. Considerable progress has been made in recent years to improve the situation, notably through the creation and empowerment of the WMDs, the increasing involvement of the private sector in refuse collection, the increasing reliance on user charges for solid and liquid waste collection, improvements in internal revenue collection by the MAs, and a greater awareness that refuse dumps have to be replaced with sanitary landfills. The large recurrent cost required to achieve this--nearly half the MAs' discretionary budget--is not regularly available in the MAs and is financed to varying degrees through central government subsidies. The central government, urged on by external assistance agencies, is putting pressure on the MAs to increase their internal revenue generation. Experience has shown that consumers are ready to pay more for waste management services as these services improve. The project design takes into account the lessons on sustainability that have been learned from UESP-1 and other projects.

8. Lessons learned from past operations in the country/sector

The following lessons have been learned from other World Bank-assisted projects and have been incorporated into in the project design. Some of them are also contained in the report of the *Regional Review Panel* of June 16, 2003 to assess the project's suitability as a repeater project to UESP-1.

a. The main lesson is that the capability of the Assemblies to plan for and carry out adequate O&M of the infrastructure that has been provided by various projects has been overestimated in spite of past capacity building. Examples of the shortcomings are (i) the low operative state of the waste management equipment, where at any one time more than half the vehicles may be out of order, (ii) the near absence of drain desilting and maintenance in some MAs, increasing the chance of flooding, causing erosion and road deterioration, and increasing mosquito breeding; and (iii) several key posts in the WMDs remaining vacant or are filled with unqualified staff. The project design addresses this through (i) a comprehensive institutional strengthening component, linked to the other components, (ii) a greater budget allocation to areas where the O&M performance has been better, such as latrine construction and community infrastructure upgrading, and (iii) the incorporation of the operation of activities into the project where the financing of O&M from internally-generated sources has been particularly difficult, namely the operation and monitoring of sanitary landfills and the private solid waste collection contracts. Drain construction work in individual MAs is predicated on the establishment of adequate institutional and financial arrangements for drain maintenance. Rather than providing more waste management equipment, the existing equipment will be reconditioned, where economically feasible, and the maintenance and spare parts supply system improved as part of the institutional strengthening component.

b. The consultants who were placed in every MA to assist with the implementation of UESP-1 functioned in most cases like a central government implementation unit, in spite of the fact that their contracts were with the MA. This limited the sense of ownership of the MAs in the project and reduced their ability to carry on with the programs without project support, as evidenced by the failure of the Tema MA to complete the septage treatment works after the contract of the consultants expired. The project design will address this through the delegation of responsibilities for most of the project implementation to the MAs, depending on the assessment of their implementation capacity.

c. International experience with sanitation has shown that significant sanitation-related health improvements only occur with high household latrine coverage, about half the households in a neighborhood. The latrine construction policy contained in Ghana's *Environmental Sanitation Policy* (May 1999) is in conformity with this finding, recommending that public latrines be limited to public places and that residential areas be served with household latrines. The project design follows these recommendations and aims to establish a more sustainable household latrine program. Only in Tamale has the household latrine construction program continued after funding through UESP-1 stopped. Several MAs are revising the by-laws that require latrines to be provided for existing houses and are preparing the courts for their enforcement. In UESP-2 the household latrine program will be limited to existing structures to avoid subsidizing toilets in well-to-do new neighborhoods. The campaign will be concentrated in the communities chosen for infrastructure upgrading, and the subsidy will remain at the same level as for UESP-1, that is 50% of the construction cost. Support will be provided to the MAs' ongoing household latrine program and not as a scheme that is limited to the project. The results of an evaluation of the household latrine program under UESP-1 are expected to be available in February 2004, based on which a strategy for UESP-2 will be prepared.

d. A financial audit of household latrine accounts used for the Ghana *Local Government Development Project* (Cr. 2568-GH) which closed in March 2003, revealed a significant use funds for other purposes. This calls for better monitoring and control by independent organs, such as NGOs, the Submetros, or traditional authorities.

9. Environment Aspects (including any public consultation)

Issues : This project has a safeguards classification of Category A because there are potentially serious environmental and social issues with one of the sanitary landfills, located at Kwabenya, which is to serve Accra and the nearby urban areas of Ga District. A project-wide EA and an RPF were submitted to the Bank on December 2, 2003 and will be publicly disclosed in the beginning of January 2004. The applicable safeguard policies are OP/BP/GP 4.01 for environmental assessment and OP 4.12 for involuntary resettlement.

10. List of factual technical documents:

1. Ghana Center for Democratic Development, *Report on Sanitation in the City of Accra*, Workshop Proceedings, 2002, Accra
2. Ministry of Local Government and Rural Development, *Environmental Sanitation Policy*, Government of Ghana, May 1999, Accra
3. *Documents Produced Under the Project Wide Capacity Building and Training Program* of the Urban Environmental Sanitation Project.
4. MLGRD, *Letter of Sector Policy*, November 2003
5. MLGRD, *Baseline and Impact Assessment*, Urban Environmental Sanitation Project, 4 Volumes: Accra, Kumasi, Sekondi-Takoradi, and Tema, 2003

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Note: This is information on an evolving project. Certain components may not be necessarily included in the final project.