





Aveyime Water Supply Project

Key results: <ul style="list-style-type: none"> - Fully operational, effective and energy efficiently operated water treatment plant, producing 44 million of clean water per year to Tema and East Accra - Access to clean water for around 1.2 million people, contributing to improved health, gender equality and poverty reduction - Water supply to two new industrial zones, promoting industrial development and growth - Certified water and plumbing craftsmen and engineers applying their skills in urban areas throughout Ghana 	File No.	2021 - 26548						
	Country	Ghana						
	Responsible Unit	GDK / DSIF (IFU)						
	Sector	Water						
	Partner	Ghana Water Company Limited						
		<i>DKK million</i>	2022	2023	2024	2025	2026	Total
	Commitment	278.3						278.3
	Projected disbursement	20.0	20.0	100.0	100.0	38.3		278.3
	Duration	2001-2025						
	Previous grants	N/A						
	Finance Act code	06.38.01.13 & 06.38.01.14 (pre-investment)						
	Head of unit	Adam Sparre Spliid (acting interim) IFU: Tina Kollerup Hansen						
	Desk officer	Maike Hebogård Schäfer IFU: Annette Ditlevsen						
	Reviewed by CFO	NO : Christina Hedegård Hyttel						
	Justification for support:							
<ul style="list-style-type: none"> - The project is aligned with the new DK development strategy “The World We Share” addressing climate change by improving energy efficiency, contributing to climate resilient infrastructure as well as providing new and improved access to clean water in cities, promoting good health, gender equality and poverty reduction. - The project is a priority in Ghana’s National plans and strategies, supporting Ghana’s commitment to meet the SDGs, with a particular focus on water, health and sustainable industrial development. The project can further unlock potential to expand the industry, supporting growth and job creation. - The project is well-aligned to Danish priorities in the water sector, complementing other initiatives, such as the SSC, and Danish companies have the necessary technical expertise. 								
Major risks and challenges:								
<ul style="list-style-type: none"> - Poor political commitment and leadership, resulting in limited or no action in final decision-making related to the expansion of water supply in Tema and Eastern Accra and changing priorities in the aftermath of Covid 19; mitigated by DSIF and the Embassy of Denmark (EDK) in Ghana continuing policy dialogue. - Inadequate allocation of skilled staff to operate the new treatment plant; mitigated by supporting the Skills Development School and by including a 5 year O&M contract to the project. - Land acquisition and the compensation process; careful consultation during the preparation process and close monitoring is expected to reduce this risk. 								
Objectives								
The overall objective is to improve the quality of life, health and livelihoods of people in the area of East Accra and Tema by improving access to water, through construction of an energy-efficient water treatment plant.								
Justification for choice of partner:								
Ghana Water Company Limited (GWCL), a state-owned utility company established in 1993. GWCLs mandate is to provide, distribute and conserve the supply of potable water for public, domestic, and industrial purposes within urban communities in Ghana. GWCL is a strong and well organized institution and a competent operator of urban water supply operating 90 water systems in Ghana.								
Summary:								
The project will provide Tema and the Eastern part of Accra with improved access to clean and stable water supply through construction of a new water treatment plant, including booster stations, distribution network and skills training. The project area encompasses some of the poorest suburbs along the coast, with high population density, poor infrastructure and very limited access to water, relying on public standpipes with unreliable supply only a few hours a week. A feasibility study (FS), including a preliminary Environmental and Social Impact Assessment, is planned for October 2021 and April 2022. With a positive feasibility study, the construction of the Aveyime Water Treatment Plant is expected to commence ultimo 2023.								
Budget (DKK million)		<i>DSIF</i>	<i>Partners</i>	<i>Total</i>				
Output 1: WTP at Aveyime - capacity of 120,000 m3/day		131		131				
Output 2: 75 km Transmission main (principal pipe), 100 km distribution network		251		251				
Output 3: Booster station, new		60		60				
Output 4: Tema Booster Station rehabilitated		3		3				
Output 5: Skills Development School		50		50				
Output 6: 5 years of O&M support		10		10				
Output 7: Technical assistance		5		5				
Land acquisition			5					
Supervision Engineer		18		18				
Contingencies		80	1	80				
TOTAL		608	6	614				
Relevant SDGs								
Primary impact:		Water and sanitation			Good health and well-being			
Secondary Impact:		Sustainable cities and communities			Decent Jobs, Econ. Growth			
Pre-investment budget (FS):	DKK	6.0 million						
Total construction project budget:	DKK	614.0 million						
<i>Of which DSIF financing:</i>	DKK	278.3 million						
Concessionality level:	35 pct.							

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Note: In PMI, an interactive version of this appropriation cover note is available at the "Grant" page under "Budget".