

Re: Government could not account for the Initial \$200m GARID Project's World Bank Credit Facility – Minority Members of Parliament

Our attention has been drawn to some allegations from the Minority Members of Parliament published on various media platforms regarding the subject matter mentioned above.

In the said publications, the news outlets highlighted some concerns raised by the minority members during the parliamentary debate preceding the approval of the \$150 World Bank additional financing credit facility to be used by the Greater Accra Resilient and Integrated Development (GARID) Project for implementing solid waste and flood control measures in communities along the Odaw River basin.

Subsequent to the debate in parliament, we have also observed further allegations made by other minority members of parliament, including Hon. Kofi Adams, and Hon. Emmanuel Kwasi Bedzrah, on Citi FM and other media platforms some of which were published on several online news portals including citinewsroom.com and myjoyonline.com.

We wish to set the record straight as follows:

- ***Alleged Improper Utilization of Initial Funds:***

The Ministry of Works and Housing wishes to state unequivocally that the GARID Project has fully accounted for the \$200 million allocated for its interventions. As of March, 2024, \$127.12 million had been drawn down, with \$65 million directed to support the COVID-19 related expenditures under the Contingent Emergency Response Component (CERC) agreed with the World Bank and included in the Project Appraisal Document. \$34.33 million of the amount drawn down was used for GARID activities and the remaining \$27.79 million represents the bank balances as of the reporting period. The detailed expenditure breakdown was presented to parliament.

It is important to note that, as required by the Project Financing Agreement, Project Appraisal Document, and Project Implementation Manual, the use of the project funds has always been preceded by the approval of annual work plans. These approvals are obtained from the Project Steering Committee and subsequently from the World Bank Task Team. The Project has consistently adhered to the guidelines in the Financing Agreement between the World Bank and the Government of Ghana. Additionally, since its inception in 2019, the Project has been subjected to annual financial and procurement audits by the Ghana Audit Service, as agreed between the Government of Ghana and the World Bank and stipulated in the Financing Agreement.

- ***Alleged Embezzlement of \$65 million Contingent Emergency Response Component:***

It is also not true that the \$65 million from the project fund used for COVID-19 was embezzled. The World Bank and the Government agreed to include a "**Contingent Emergency Response Component (CERC)**" in the credit facility, a mechanism allowing beneficiary countries to reallocate project funds to address emergencies

during the project's lifespan. The GARID Project credit facility was passed by Parliament in November 2019 and became effective in February 2020. Following the outbreak of the COVID-19 pandemic in March 2020, the Government triggered the CERC and reallocated \$65 million of the project fund for COVID-19 expenditures. Prior to disbursement, the Ministry of Health, responsible for implementing the CERC, submitted a detailed work plan and budget, which were approved by the Ministry of Finance and the World Bank. Subsequently, the GARID project transferred the amount to the Ministry of Health for implementation. The CERC implementation was completed in 2022, with a comprehensive report submitted to the World Bank. The Ghana Audit Service also audited the CERC activities and submitted their report to the World Bank in 2023.

- ***Alleged Payment to Contractors for No Work Done:***

The allegation that contractors working under the GARID Project have been paid mobilization fees for no work done is inaccurate. Except for the contractor selected for the reconstruction of the Nima-Paloma drains who is yet to begin civil works, all other contractors are actively working at various project sites. Notable among these works are reconstruction of broken sections of the Odaw River channel at Achimota-Abofu; infrastructure upgrades in Alogboshie, Akweteyman and Nima, and performance-based dredging of the Odaw River and Korle Lagoon. The Resettlement Action Plan in Nima-Paloma is nearing completion, which will allow the site to be handed over for commencement of construction works.

The claim that the project paid mobilization for contractors who have executed less or more than 18-20% of work, amounts to mismanagement of project funds is unfortunate. Standard practice in contracts permits paying contractors 10-20% of the total contract amount as mobilization ahead of the inception of works. Subsequent payments are tied to the attainment of specific milestones or deliverables outlined in the contract. Therefore, claiming that mobilization payments or any contract sums tied to deliverables amount to mismanagement is, to say the least, most unfortunate

- ***Other Completed / Ongoing Project:***

In addition to the ongoing interventions listed above, the GARID Project has disbursed annual grants totalling \$1.95 million to 17 Metropolitan and Municipal, Assemblies (MMAs) since 2022 to support the desilting and dredging of secondary and tertiary drains, focusing on identified flood hotspots.

The design of a Flood Early Warning System (FEWS) for the Greater Accra Region has been completed, and the necessary equipment for its operation, with the exception of the X-Band Radar, procured and distributed to the implementing agencies namely, Ghana Meteorological Agency, Ghana Hydrological Authority, National Disaster Management Organisation, and the Water Resources Commission. Almost all the FEWS equipment have been installed and the remaining equipment yet to be installed are awaiting the completion of ongoing road works.

Furthermore, the project has procured and distributed seventeen compactor trucks and other solid waste management equipment to all beneficiary MMDAs to enhance their solid waste management activities. It is these set of equipment that the Assemblies deployed in their first quarter clean up exercises this year.

- ***Claims about the Lack of Project Implementation Units (PIUs) to Manage the Project:***

As part of conditions precedent for the project effectiveness, the participating Ministries at the project preparation stage were required to establish Project Implementation Units in the respective Ministries. To date, the project is managed by three Project Implementation Units in the Ministry of Works and Housing, Ministry of Sanitation and Water Resources, and Ministry of Local Government, Decentralisation and Rural Development. These PIUs oversee daily operations and supervision of project interventions. In addition, there is a Project Coordinating Unit to strengthen the project management across the respective components and the participating Assemblies. Further, Project Support Units have been established in all 17 MMAs to enhance management and coordination at the local level.

- ***Audits:***

Since its inception, the Project has been consistently audited by the Ghana Audit Service and the reports submitted to the World Bank every year within the stipulated time as enshrined in the Financing Agreement. There are also periodic Financial Management reviews and other fiduciary reviews which are undertaken by the World Bank to ensure that the funds are used for its intended purposes.

We wish to assure Ghanaians that the Government is committed to ensuring that the loan facility is judiciously used to improve solid waste and flood risk management in the beneficiary communities under the GARID Project.

Issued by the Ministry of Works and Housing