(Bloomberg) -- Ghana and Togo signed a project agreement for the construction of a pipeline to bring drinking water from the lower Volta River to Lome and coastal communities that when completed would benefit about 4 million people.

The African Development Bank group said today that last month’s memo of understanding "marks the beginning of the realization of an idea hatched in the 1970s to provide sustainable drinking water" from Sogakope, Ghana, to Lomé as well as Ghana communities along the transboundary pipeline, African Water Facility coordinator Akissa Bahri said.

The Ghana Water Co. will be the executing agency of the project that will include grants of at least 2.1 million euros ($2.5 million) to ready the project. Togo’s groundwater supplies for Lomé and surrounding communities “are on the verge of depletion due to over-exploitation, and their quality is deteriorating,” according to the statement.

Ghana’s lower Volta that empties into the Gulf of Guinea has ample freshwater to augment Togo’s scarce surface water sources, it said. The project is seen as strengthening regional cooperation through the sharing of resources of the transboundary river, according to the African banking group.

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