Ghana and Togo sign agreement on public-private irrigation investment project

Ghana and Togo have signed an agreement that paves the way for a major irrigation infrastructure project linking the neighbouring African nations. | 21 Jan 2015

Energy & Infrastructure finance | Projects | Infrastructure | Africa | Western Africa

The African Water Facility (AWF) has offered a €1.4 million grant to Ghana to support the technical, legal and financial preparation of the public-private partnership (PPP) project, which is designed to support Togo’s capital Lomé and Ghana’s coastal communities.

Groundwater is currently the main source of water supply not only for the population but also economic and industrial activities, the AWF said in a detailed appraisal report for the project released in December 2013 (100-page / 4.21 MB PDF). Increasing water availability is also expected to attract further industrial investment in the region.

The African Development Bank (AfDB) said that in addition to AWF support, the African Legal Support Facility (ALSF) is providing a €0.7m grant to help prepare the project. The Ghana Water Company Ltd, the country’s national utility, will be the project’s executing agency.

The AfDB said: “More than 4 million people in Togo and Ghana will benefit from access to improved drinking water when the preparation studies are completed and the project is executed. The AWF and ALSF grant will pave the way for the mobilisation of €100m from the private sector for the water supply infrastructure investments under a PPP arrangement.”

“Togo’s groundwater supply sources for the city of Lomé and surrounding communities are on the verge of depletion due to over-exploitation and their quality is deteriorating,” the AfDB said. “Ghana’s huge lower Volta River, emptying into the Gulf of Guinea, has ample source of fresh water to augment Togo’s scarce surface water sources. The project is seen as strengthening sub-regional cooperation through the sharing of the resources of the trans-boundary Volta River.”

According to the Ghana Investment Promotion Centre, Ghana’s government aims to ensure the entire country is provided with supplies of potable water by the year 2020. “Private sector participation is a key element in the operations and management of urban water supply,” the centre said.

A ‘multi-annual strategic plan’ for Ghana for 2014 to 2017 (25-page / 961 KB PDF), prepared in cooperation with the Netherlands’ government, said “there is a sound basis for a larger role in service provision by the private
sector”, particularly in sectors such as water, waste management and sanitary services. The report said “market research... shows there are sufficient entrepreneurs with business ideas willing to invest in service delivery”.

More from Out-Law.com

Ghana announces bill to 'mobilise private sector' for infrastructure projects | 04 Mar 2014

Recent Infrastructure Experience

In the face of funding challenges, we are helping our clients deliver transformational projects to support social and economic renewal

One of the defining challenges of recent years has been the lack of capital funding for major infrastructure...