

Ghana -- Second Urban Environment Sanitation Project - Management Response to the
Inspection Panel Investigation Report

June 18, 2009

U.S. Position

The United States commends the extensive work of the Inspection Panel on this complex and sensitive matter. The Panel has raised legitimate safeguards policy-compliance issues arising from the Second Urban Environment Sanitation Project (UESP-2) in Ghana.

The Bank's Safeguards Policies are intended to protect the interests and rights of project-affected persons. The United States remains supportive of the important role of the Inspection Panel in identifying lapses in complying with these policies to help ensure that Bank projects achieve their development objectives. Further, there are reputational risks to the Bank when stakeholders' expectations of project benefits are not met. Specific comments are as follows:

The first and second Urban Environment Sanitation Projects (UESP-1 and UESP-2) were intended to help Ghana address pressing challenges in solid waste management and the potential health hazards of pollution from open refuse dumps, including medical and industrial waste, leaching into groundwater supplies. A well-designed sanitary landfill, incorporating environmental and social concerns, could be an appropriate response to these urban sanitation challenges.

In this case, the subcomponent for the Kwabenya landfill was not part of UESP-1. As a "repeater project", UESP-2 should have encompassed only minor revisions of UESP-1 (simply to "augment or scale up", according to the Bank guidance on Repeater Projects"). The United States concurs with the Panel's finding that the foreseeable environmental and social implications of the Kwabenya landfill called for more thorough safeguards work, and that this subcomponent was not suitable as an "add-on" to this Repeater Project. The United States also shares the Panel's concerns that supervision of this subcomponent was lacking, particularly in the early design phases of the project. On this latter point, the United States welcomes enhancements to the Accra-based project team to include a resettlement specialist and a lawyer with land-tenure expertise. More broadly, Management's dialogue with the authorities, and capacity-building efforts including an Integrated Solid Waste Management Strategy and safeguards clinics, are appropriate measures to help Ghana assess the range of options for effective solid waste management.

Management has acknowledged the validity of the issues raised by the Inspection Panel, and the United States appreciates the candid and constructive manner in which they approached the Panel's report and plans to remedy these shortcomings. The lengthy delay in undertaking the Kwabenya subcomponent of UESP-2 has also presented certain "legacy" issues and the United States notes Management's commitment to prepare a guidance note on legacy issues as part of the follow-up to the Bujagali Inspection Panel case. The United States looks forward to that note being circulated in the coming weeks as it should help to preclude some of these problems from recurring in future projects.

The United States agrees that the 2003 Environmental and Social Assessment (ESA), which addressed the Kwabenya landfill, was “stale” and drew on outdated analyses conducted in 1999 and 1993, and no longer reflected the conditions on the ground. Furthermore, construction of a road to the Kwabenya site in the intervening years attracted a significant influx of settlers, rendering the assumptions in the 2003 ESA obsolete. The United States welcomes plans for a new Environmental Assessment, including an analysis of alternative landfill sites, as well as the Resettlement Action Plan which is expected by end-August. The United States also appreciates the clarification in the Management Response that the Kwabenya site may not necessarily be chosen as the locale for the landfill.

The consultation process with the local community did not allow for the project-affected persons to have information, in local languages, to explain the resettlement and compensation procedures for those who would be displaced by the Kwabenya landfill. This is particularly important in light of the complex land-ownership arrangements in Ghana and the needs of migrants and “stone crackers” without legal title to land and no legal right to compensation under Ghanaian law. This “gap analysis” is critical to ensuring that Bank safeguards, and the rights of project-affected persons to compensation and livelihood restoration, are observed.

The United States acknowledges the difficulties of the consultation process with the project-affected community, given the contentious atmosphere that has developed. The United States hopes that the completion of the new Resettlement Action Plan (RAP), and outreach to local stakeholders once it is finalized, will help to mitigate the distrust and opposition that has surrounded this subcomponent of the project. At the same time, the United States shares the concerns expressed by Management, and acknowledged by the Panel, regarding the safety of Bank staff in view of the strong local opposition to the landfill.

The United States welcomes the Action Plan, as presented in both Table 2 and Annex 1 of the Management Response. Ongoing monitoring of this Action Plan is essential to remedy the grievances of the Requesters, bring the project into compliance with Bank safeguards, and ensure that the project achieves its development objectives. The United States welcomes plans for an update from Management six months hence, to ensure that the Action Plan is being implemented fully