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## **ANNEX 3**

to the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Ghana for 2022

### **Action Document for EU-Ghana partnership for sustainable Cities – phase 1**

#### **ANNUAL PLAN**

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, and action plans/measures in the sense of Article 23 of the NDICI-Global Europe Regulation.

## 1 SYNOPSIS

### 1.1 Action Summary Table

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	EU-Ghana partnership for sustainable Cities – phase 1 OPSYS number: NDICI AFRICA/2022/ACT-60927 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
<b>2. Team Europe Initiative</b>	Team Europe Initiative on Smart, Green and Digital Recovery in Ghana
<b>3. Zone benefiting from the action</b>	The action shall be carried out in Ghana
<b>4. Programming document</b>	2021-2027 Multiannual Indicative Programme for Ghana
<b>5. Link with relevant MIP(s) objectives / expected results</b>	<u>Specific objective 1: Support urban infrastructures for climate change mitigation and adaptation</u> Result 1.2: Digital technologies are mainstreamed in urban services <u>Specific objective 2: Promote urban governance and social inclusiveness</u> Result 2.1: Sustainable municipal services are strengthened Result 2.2: Urban prosperity for all is improved
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	Priority area 2 – Smart and sustainable cities 430 – Urban development and management
<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG: SDG 11 - Sustainable cities and communities Other significant SDGs: SDG 5 - Gender equality SDG 13 - Climate action
<b>8 a) DAC code(s)</b>	15112 - Decentralisation and support to subnational government – 15% 15114 - Domestic revenue mobilisation – 15% 43031 – Urban land policy and management - 35%

	43032 – Urban development – 35%			
<b>8 b) Main Delivery Channel</b>	Member State agencies – 11000 United Nations agency, fund, or commission (UN) – 41000			
<b>9. Targets</b>	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>11. Internal markers and Tags:</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>
Digitalisation @		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services		YES <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	
Connectivity @		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		YES	NO	

	digital connectivity energy transport health education and research	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	Budget line(s) (article, item): BGUE-B2022-14.020120-C1-INTPA  Total estimated cost: EUR 15 000 000  Total amount of EU budget contribution EUR 15 000 000  With an indicative amount of EUR 29 000 000 to be committed in 2022, Germany supports the TEI “Smart, Green and Digital Recovery in Ghana” with a focus on local governance, revenue mobilisation, public financial management and accountability			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing<sup>1</sup></b>	<b>Indirect management</b> with the entity(ies) to be selected in accordance with the criteria set out in section 4.4.1			

## 1.2 Summary of the Action

Through the implementation of the Joint Programming Ghana 2021-2027, the EU will support the development of more sustainable and inclusive cities.

Unplanned spatial expansion of urban and metropolitan areas and their limited integration within and across Ghana’s regions is a challenge to economic efficiency. It increases social and environmental costs, inadequate and unequal access to basic services, health risks and ecological damages. Climate change will further hamper development gains in cities. Finally, significant wealth gaps exist in Ghana, with northern regions disproportionately poor, unequal, and poorly covered in critical services.

An integrated two phases programme is proposed to address those challenges by working both on the institutional framework at national and local level, and by improving urban services delivery and infrastructure provision to meet the demand of citizens.

The action proposed in the AAP 2022 (first phase) will address the need for improved institutional coordination, capacity building and data collection through the provision of technical assistance and the establishment of an Urban Observatory. The Observatory aims to provide an institutional and technical platform to facilitate coordination and dialogue between the central government, local authorities and civil society, including women organisations and those representing the rights of the most vulnerable, such as people living with disabilities. Building technical and institutional capacity, providing smart planning tools with digital technologies, and facilitating citizen engagement, the programme will support the development of planning policies at the local level towards sustainable, inclusive and green urban development of Ghanaian cities.

<sup>1</sup> Art. 27 NDICI

With a national dimension, the Urban Observatory aims to be deployed at the local level with the participation of MLGDRD, Regional Coordinating Councils (RCC), MMDAs, academic partners, the civil society and the private sector. It will build on the existing structures and the technical and institutional partners.

Priority will be given to the Northern Regions of the country (Upper East and Upper West Regions, North-East Region, Savannah and Northern Regions). The action will pave the way for future investments by building planning and resources mobilisation capacities of the local authorities through technical assistance and peer-to-peer exchanges. It will also support a limited number of pilot projects. Priority will be given to activities with optimal use of digital technologies and innovation, and targeting women, youth, and people with disabilities.

The action will kick-off the EU support to Smart and Sustainable cities, which will substantially contribute to the Global Gateway. It will be followed by a second phase with a more substantial allocation for infrastructures development.

## 2 RATIONALE

### 2.1 Context

Ghana is one of the most stable democracies in West Africa, with above-average economic growth, especially in its southern part. Ghana has been a privileged partner of the EU for its political stability and rule of law, for its conducive business environment and security, and for its multilateralism.

**Macro economy.** Ghana's rapid growth was halted by the COVID-19 pandemic, and a sharp decline in commodity exports. The economic slowdown had a considerable impact on households. The poverty rate is estimated to have slightly increased from 25 percent in 2019 to 25.5 percent in 2020<sup>2</sup>.

The country is currently facing a high risk of overall and external debt distress, adding to worrisome developments on the fiscal and monetary sides. In an unfavourable international context, dominated by the war in Ukraine, the macroeconomic imbalances could have significant political and economic consequences, also for the EU - Ghana partnership, in particular in the area of investments and infrastructure. In this context, the existence and implementation of strategies to increase domestic revenue mobilisation and improve fiscal autonomy of local authorities will be even more essential.

**Security and regional disparities.** Although Ghana has featured in the last two decades a dynamic economy with a GDP growth above 5%, the wealth distribution has been uneven. Economic growth has not been inclusive and has led to increased inequality, mainly between the richer south and the poorer north of the country, feeding insecurity and violence, particularly in the northern regions. The country shows significant development gaps, underlined by a lack or unreliability of services and infrastructures, and a poverty rate doubled in the northern regions.

In recent years Ghana experienced a rise of radicalisation and violence, notably in the northern regions, including local conflicts related to land tenure, chieftaincy and religious disputes. The spill-over of the terrorism from Burkina Faso remains one of the most serious concerns for the authorities, which have decided to strengthen collaboration with armed forces and law enforcement agencies of neighbouring countries, in the framework of the "Accra Initiative".

Geographical disparities have led to north-south migration for economic reasons (livelihoods, lack of jobs and resources) but also on environmental (notably the effects of climate change), social, political and more recently stability and security grounds. As a response to the current situation, the EU – Ghana partnership will focus in the coming years on the northern regions of Ghana, thus reinforcing an approach already partially implemented under the 11<sup>th</sup> EDF. The new actions under preparation will seek complementarity with ongoing actions.

**Decentralisation.** In line with Ghana's commitment to decentralisation<sup>3</sup>, the country has seen its number of districts more than doubling (currently 261) since 2000. Unfortunately, the reforms to confer a sufficient level of autonomy to the Metropolitan, Municipal and District Assemblies (MMDAs), along with appropriate capacities to

<sup>2</sup> World Bank Ghana country overview: <https://www.worldbank.org/en/country/ghana/overview>

<sup>3</sup> 1993 Local Governance Act

provide services, are slow to materialise locally. In particular, fiscal decentralisation remains limited, with most MMDAs unable to exercise genuine expenditure autonomy. This is reflected in their heavy dependence on the District Assemblies Common Fund (DACF) due to their inability to generate sufficient internally generated revenue.

Further key challenges remain embedded in the systemic and institutional deficiencies, such as yet unclear patterns of devolution processes, local governments remaining chronically underfunded and understaffed, local administrations demonstrating low capacities to undertake their tasks and, at times, blurred division of responsibilities in crucial sectors between different administrative levels and bodies.

**State of urbanisation.** With a total population of 30.4 million people in 2019 and more than 55% living in cities, Ghana has a dense network of urban areas mostly concentrated along the Atlantic coast and in the Ashanti Region. The urban network of northern regions of the country represents an opportunity to balance spatial distribution of urbanisation and development across the country.

The country is halfway through urbanisation. While the first period of urbanisation has generated dividends in job creation and opportunities, improved living conditions and reduced poverty for many Ghanaians, the country now faces the challenges of economic efficiency and social inclusion within its urban areas, where globally basic services are still lacking. In addition, unplanned spatial expansion of urban and metropolitan areas and their limited connectivity within and across Ghana's cities is a challenge, increasing social and environmental costs, unequal and inadequate access to basic services, health risks and ecological damages.

**Urban policy framework.** Several laws and policies have a direct impact on decentralisation and on functioning of the MMDAs. In parallel, three interrelated policies are governing the development and management of cities: (i) the National Urban Policy (2012), (ii) the National Housing Policy (2012) and (iii) the National Spatial Development Framework (2015). However, despite the comprehensive legal framework, local authorities and cities are still struggling to gain their technical and financial autonomy, and their resources remain too limited to face the current challenges.

The Ministry of Local Government, Decentralisation and Rural Development (MLGDRD) is currently reviewing the urban policy framework: verifying the extent of implementation and relevance of the 2012 policy vision and objectives, conducting stakeholder consultations for a more participatory and inclusive review, assessing the institutional capacity of implementing organisations/actors, and developing an effective monitoring and evaluation system to collect data and track performance.

The effective implementation of these policies largely depends on the institutional, technical and financial reinforcement of "decentralised entities". One of the remaining obstacles for institutional coordination and local capacity building is the relative obsolescence of administrative boundaries that define municipalities (and urban, rural settlements generally). Operational implementation is still lacking at the local level (MMDA) because of lack of capacity, lack of anticipation in land acquisition by local governments, and limited integration of strategies in local plans.

**Demographic growth.** A projection shows that the population of Africa will nearly double in size by 2050 and could quadruple by the end of the century. Globally, the number of urban dwellers is growing by two per cent a year and the figure is four per cent in Sub-Saharan Africa. With this trend, the number of people in the region's cities will double within two decades.

Since 1984, Ghana's urban population has quadrupled. The three most populous cities, Accra, Kumasi and Sekondi-Takoradi, account for almost a fifth of the country's population. This development has initially coincided with rapid GDP growth and decreasing poverty. However, this trend has inversed throughout last decade, in particular in the urban centres of the northern half of Ghana. Recent reports<sup>4</sup> revealed for the first time that health conditions of newly born babies in rural areas are on average better than in cities. This is only one aspect of the large range of alarming challenges posed by climate change, economic transformation and demographic shifts, with government and city mayors facing increasing pressure to find sustainable solutions.

**Gender and inclusiveness.** Ghana presents a complex and diverse gender situation in a multi-ethnic society with a wide range of different social norms, influenced by several cultures (and succession systems), which in turn

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<sup>4</sup> UNICEF 2019

impact the role of women as economic decision-makers. While it can differ from a region to another, in general, women's rights and ability to participate in and benefit from economic activities are limited and concentrated around vulnerable, low-wage jobs and unpaid labour.

There are no laws in Ghana prohibiting women from opening bank accounts or taking out loans in their own name, but only a third of women report having a formal bank account in the country. In the past years, the opportunity of Digital Financial Services (DFS) has supported a lot of low-income female customers, as it reduces the time and costs to make financial transactions and improve the security of those transactions. DFS are an increasing factor of poverty reduction, and savings and entrepreneurship are the two pillars for women financial empowerment in Ghana. However, the negative impact of the e-levy introduced on 1<sup>st</sup> May by the Government (tax applied on transactions beyond 100 GHC per day made on electronic or digital platforms) has yet to be fully analysed.

Women in Northern Ghana face not only limited access to financial services and business training to start and grow businesses, but also limited access and control over productive resources including land. Owning land in Northern Ghana is crucial for empowerment. Due to patrilineal inheritance systems, women primarily access land through their husbands or by renting land from other men in the community. Again, there are currently no laws impeding women's access to the land registry, but discrimination in customs and women lacking knowledge of the laws prevent them from participating fully.

In addition to the challenges faced in achieving gender equality, persons with disabilities living in Ghana face barriers in accessing education and employment opportunities and are also more likely to be at risk of poverty due to the extra cost of disability. Women with disabilities in Ghana face additional barriers based on the intersection of gender and disability.

**Urban development challenges and opportunities in the North of Ghana.** Less urbanised but strategically located, the Northern regions of Ghana are the food basket of the country and beyond, are a gateway to the Sahel, as well as a potential major regional logistic hub (in particular Tamale). However, climate change, urban sprawl, demographic pressure and land speculation are threatening both urban sustainability and the agricultural sector at the periphery of the city. Therefore, developing stable, smart and climate sensitive urban centres in regional capitals and secondary cities emerges as a key factor to avoid urban sprawl and impoverishment.

Small but well-planned industrial centres in Northern Ghana have the potential to add significant economic value to rural development and to mitigate unhealthy spatial growth.

The structural lack of institutional and technical capacities to implement planning tools and monitor land use and spatial growth needs to be addressed by building capacity and pragmatic tools to generate inclusive sustainable development, with a strong connection and synergy with rural areas.

## 2.2 Problem Analysis

### Short problem analysis:

Although considerable efforts have been made to elaborate and coordinate planning tools at various levels, the pace of Ghana's urbanisation coupled with the creation of new districts in urban metropolitan areas has added institutional complexity and obstacles to coordinate stakeholders and to develop local plans and spatial planning within greater urban areas. In this context, the specificities of Ghana's customary land practices are critical to understand how to improve land use management.

Due to the rapid and informal spatial growth of cities, planning tools (when existing) are quickly outdated and often fail to respond to complex urban land management issues. Moreover, districts lack funds to provide the basic infrastructure to enforce their implementation. Planning departments in secondary and tertiary cities are facing a critical lack of capacity and fail to capture land value through effective local tax policies. Customary practices regarding land ownership differ from formal land administration and applicable laws, leading to conflicts and land insecurity, which in turn threaten the municipal capacity to implement policies and programmes regarding disaster risk reduction, adaptation to climate change, transition to sustainable and low carbon cities. The lack of effective urban planning also hampers the operationalisation of affordable and collective housing, of sustainable mobility, of urban green design, and development of basic services, such as water and sanitation, and waste management.

On the other hand, insufficient urban revenues remain a challenge. In Ghana, the tax to GDP ratio is only 12.7 percent, which is much lower than in comparable countries. Therefore, Ghana is dependent on foreign aid to finance development projects. Existing revenues do not flow specifically into development projects, and do not benefit the population. National and sub-national institutions are not sufficiently equipped to finance inclusive development. This is due to poor planning, and to the fact that the distribution of funds is often not targeted, inefficient and non-transparent.

The analysis of the past trends and current situation of urban issues have revealed issues of: difficulty to manage overconcentration of growth and development in a few cities, weak urban economy, increasing environmental deterioration, land-use disorder and uncontrolled urban sprawl, increasing urban insecurity, inadequate urban infrastructure and services, weak urban governance and institutional coordination, urban poverty, slums and squatter settlements, obsolete delimitation of urban areas and lack of integrated planning across jurisdictional boundaries, and weak rural-urban linkages.

By supporting institutional dialogue, policy development, capacity building for improved planning and revenue mobilisation, the action will focus on addressing the following challenges:

- Lack of understanding, capacity and of integration of urban policies;
- Gender blindness on analysis and planning processes;
- Inoperability of planning tools;
- Land insecurity and urban sprawl;
- Missed opportunities in land value capture of municipal tax collection;
- Lack of resilience and of response to climate events.

Responding to these challenges can help transform urban spaces into resilient and sustainable communities that benefit residents by reducing energy costs, improving quantity and quality of services, reducing waste, improving mobility, ensuring safety, providing better urban environment, creating decent economic opportunities, and contributing to a more inclusive society.

Identification of **main stakeholders** and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

By its nature, urban development is multi-sectorial and calls for competences shared and managed by many actors and ministries (duty bearers): the Ministry of Finance (MoF), the Inter-Ministerial Coordinating Committee (IMCC) on Decentralisation, the Ministry of Local Government, Decentralisation and Rural Development (MLGDRD), the Ministry of Environment, Science Technology and Innovation (MESTI) and the Ministry of Lands and Natural Resources (MLNR). In addition, many technical ministries are involved in the provision of urban services and infrastructure. Other stakeholders include selected Metropolitan and Municipal Assemblies and Regional Coordinating Councils, traditional authorities, professional associations, public agencies (utilities, ministerial agencies, housing corporations), community led groups, including groups representing marginalised communities.

This action will work, in particular, with the following partners.

The **Ministry of Finance** (MoF) is the lead economic management institution for development in Ghana and it ensures effective economic policy management for the attainment of macroeconomic stability and sustainable economic growth through sound fiscal policy and efficient public financial management, with the goal to attain upper middle income status and poverty reduction.

The **National Development Planning Commission** (NDPC) is the authoritative planning body that provides the policy choices for sustainable development in Ghana. Its mandate includes the preparation of medium-term development plans and the provision of management advisory services to the Assemblies. The Commission also ensures effective implementation of the approved national development plans, and coordinates the decentralised national development planning system.

The **Ministry of Local Government, Decentralisation and Rural Development** (MLGDRD) ensures good governance and balanced development of Metropolitan, Municipal and District Assemblies (MMDAs) through the formulation of policies and guidelines on the acquisition and use of human and financial resources by Assemblies. Part of the MLGDRD, the **Urban Development Unit** was created to oversee the implementation of the outlined activities in the National Urban Policy. The unit faced numerous operational challenges, such as shortage of personnel, finance, and logistics, which have hampered its functioning to the point that it is now dormant. Ensuring

effective implementation call for undertaking a comprehensive exercise to assess the Unit's mandate and if necessary to equip it with the needed capacity, resources as well as introduce new skills in face of changing urban needs, operating systems and behaviours.

The **Ministry of Lands and Natural Resources (MLNR)** and its **Land Commission** provide leadership and guidance in the management of the nation's natural resources through effective policy formulation, market regulation and asset management. Its Land Commission (LC) is in charge of land survey and mapping, land registration, land valuation and public and vested land management. The resources and services provided by the Land Commission will be essential for the deployment of the urban observatory at the local level, as the commission provide mapping services, license cadastral surveyors, ensure that socio-economic activities are consistent with land use planning orientations.

The **Ghana Statistical Service (GSS)** has institutionalised the collection and dissemination of statistical information since the first population census with a centrally organised database of multisectoral surveys and data at the national and local levels.

The **Regional Coordinating Councils (RCC)** serve as the link between the central government and the local level. They provide administrative and technical services to ministries, departments, MMDAs and NGOs through monitoring and coordinating activities and performances that are geared towards the improvement of the life of citizens.

The **Assemblies** are designated as the highest political, legislative, budgeting and planning authority at the local level. Within the decentralised context, the Assemblies (Metropolitan/Municipal/District) have been entrusted with significant responsibilities related to planning and enforcing the physical development within their boundaries. Under the law, local authorities have executive, deliberative and technical support services to articulate the views and aspirations of the local communities for development at the district level. This function assists the Assemblies not only to prepare district development plans but also to submit such plans to public hearings and encourage citizens' participation. Their structure is made up of the General Assembly, the Executive Committee and Sub-committees as well as the Coordinating Directorate, the Decentralised Departments (sectoral) and the Planning and Coordinating Unit (PCU), responsible for multi-sectoral planning and development plans. The Assembly is the highest decision-making body at local level. In the performance of its functions, the Assembly works through the Executive Committee and its subsidiary committees of development planning, social services, works, finance and administration, justice and security, and others.

The **traditional authorities and opinion leaders** also play a crucial role in making civic participation effective through all sections of the community and in generating significant financial contribution from the communities to create a sense of ownership. They are also custodians of land and will play a key role in this project.

There is an increasing number of influential **Civil Society Organisations (CSOs)** in Ghana, with more than 33,000 registered CSOs, mainly located in urban areas. They have been active in the research and advocacy space related to constitutional, legislative and judicial reforms, government effectiveness and accountability. They will play a key role to represent the voices of the rights holders in all their diversity, specially representing the voices of those living in the most vulnerable situations.

Other partners, by their mandates, will have be consulted and/or involved in some of the activities:

The **Ministry of Chieftaincy and Religious Affairs (MCRA)** has a mission to oversight responsibility of the chieftaincy for peaceful co-existence and national development.

The **Office of the Administrator of Stool Lands (OASL)** aims at administrating stool lands to ensure that the wealth from stools lands are distributed in such a manner that it will be beneficial to every member of the land-owning community. The OASL has 8 regional offices but takes care of all 16 regions with over 90 district offices.

The **Ministry of Sanitation and Water Resources (MSWR)** contributes to the improvement of living standards of Ghanaians through increased access to and use of safe water, sanitation and hygiene practices and sustainable management of water resources. The MSWR formulates water, environmental health and sanitation policies, undertakes water and sanitation development planning in consultation with the NDPC.

The **Ministry of Housing and Works (MHW)** formulates, monitors and evaluates the implementation of policies, plans and programmes for the sustainable management of public landed properties, drainage and coastal protection works, operational hydrology as well as safe, secure, decent and affordable housing using technical expertise and innovative methods for all people living in the country. The Ministry works collaboratively with the National



Development Planning Commission to check the performance of the sector. As part of its functions, the Ministry provides assistance in the form of training and research works and endorse the use of local building materials.

The **Ministry of Environment, Science, Technology and Innovation** (MESTI) ensures the establishment of the regulatory framework and setting of standards to govern the activities of science and technology and the management of the environment for sustainable development; but also coordinates all planned programmes as well as budgets in the environment, science, technology and innovation sector of the economy. MESTI is responsible for the overall high level coordination of the implementation of the NDCs with the Environmental Protection Agency (EPA) being in charge of the technical coordination.

Local **universities and research centres** are strategic potential partners at the local level, as they provide local knowledge, resources and dynamics connected to youth and entrepreneurship. The University of Development Studies, based in Tamale and Wa, has several faculties and institutes that can support the deployment of the urban observatory. Bolgatanga Technical University, Dambai College of Education, University of Energy and Natural Resources and Technical University in Sunyani can also offer precious support to local units to develop.

## 3 DESCRIPTION OF THE ACTION

### 3.1 Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to improve urban sustainability and prosperity for all. Implementation of this action will contribute to smart, green and digital economic recovery in Ghana (TEI).

The Specific(s) Objective(s) (Outcomes) of this action are to:

1. Improve national and city level policy framework for gender responsive integrated urban development
2. Improve environmental management and climate change adaptation and mitigation by targeted cities
3. Increase delivery of quality urban services and accountability of local authorities in targeted cities

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

- 1.1 contributing to Outcome 1 (or Specific Objective 1): Opportunities provided for dialogue and cooperation between national and regional administration, city authorities, civil society and private sector on urban management
- 1.2 contributing to Outcome 1 (or Specific Objective 1): Improved capacities of city authorities for integrated urban planning
- 1.3 contributing to Outcome 1 (or Specific Objective 1): Enhanced financing capacities of cities
- 2.1 contributing to Outcome 2 (or Specific Objective 2): Improved capacities of cities to design and implement urban climate change strategies mitigation and adaptation
- 3.1 contributing to Outcome 3 (or Specific Objective 3): Improved capacity and facilities for the delivery of smart, sustainable and accessible municipal services

### 3.2 Indicative Activities

The proposed action will address the need for improved governance and capacities, both at central and local level. Building on existing mandates and mechanisms, the action will facilitate institutional dialogue and coordination, while improving monitoring of urban policies and actions and ensure appropriate participation of all urban development stakeholders: national and regional authorities, city authorities, civil society, the private sector and, when relevant, the academic institutions.

The action will cover an indicative number of five Regional Capitals, with priority to the Northern Regions of the country (to be selected in the inception phase). It will pave the way for future investments by building planning and resources mobilisation capacities of the local authorities. Priority will be given to activities with optimal use of digital technologies and innovation, and targeting women, youth, and people with disabilities.

This action will consist in **institutional support** (essentially output 1.1), **technical assistance** (including studies), **capacity building** and **implementation of pilot interventions** at the scale of a community in targeted cities. The combination of the above aims to strengthen urban governance and build the capacity of local authorities to properly plan and implement their development, and improve local revenue generation, collection and management to better invest in the provision of urban services.

Institutional support will contribute to align, with MLGDRD and NDPC, the various mandates and responsibilities, and will attempt to limit and mitigate potential institutional bottlenecks. It will also improve systems for monitoring and evaluation of urban policies.

Technical assistance will target the main public entities involved in the action, both at national (MLGDRD and related agencies) and city level (targeted MMDA and department). It will be deployed as a long term expertise embedded in the different entities, providing technical advice, coaching and on-the-job training. In parallel, short term expertise will be made available to cover needs for studies: institutional assessment, research or technical studies in relation to urban governance and planning for the preparation of future investments.

Capacity building programmes will be implemented, focusing (but not exclusively) on the planning and technical departments of local authorities. The following knowledge/skills will be strengthened: spatial and integrated urban planning, design of climate adaptation and mitigation strategies, management of local finances, use of digital tools, etc. The capacity building programmes will be realistic, focused and practical; they will all include theoretical modules coupled with, at local level, practical reinforcement (on-the-job training and/or peer-to-peer exchanges) adapted to the development priorities of the beneficiary cities to concretely improve the delivery of upgraded services to the citizens. Part of the training modules will be based on existing material and will be further developed with the Local Government Service (LGS), responsible to ensure national coherence of all trainings for decentralised staff. Other more specific trainings will be tailored to the needs of the targeted cities and will be implemented through the long term technical assistance or through the deployment of specific expertise. Scaling-up of existing initiatives consisting of an exchange of expertise between Ghanaian cities could be supported, in coordination with the RCCs and the LGS.

Finally, a limited number of cities, to be selected during the inception phase, will be supported in the implementation of integrated urban projects, at the scale of a community.

#### Indicative activities relating to Output 1.1:

Based on existing structures at national (MLGDRD, NDPC, line ministries), regional (RCC) and local level (EC, PCU), dialogue and multi-sectoral coordination will be facilitated through this action.

For that purpose, public entities will be supported with resources and technical assistance to build, from existing mechanisms, an institutional and technical platform, the Urban Observatory, to: (i) improve multi-level and sector dialogue and coordination, ensure the participation and consultation of all stakeholders (including women and youth) at all administrative levels, (ii) create optimal and sustainable conditions to apply national urban policies and operationalise urban planning tools at the municipal / decentralised level, through technical and institutional capacity building, and (iii) improve the generation, analysis and use of objective and verifiable data (disaggregated by sex and age whenever relevant) to support urban development (with public entities in charge of managing data i.e. NDPC, MLGDRD, GSS).

With a national dimension and anchored at the local level, the Observatory will be deployed firstly through pilot cities (three maximum) before potential replication. It will be developed as one of the tools to improve urban planning and services delivery, to serve as a permanent exchange and learning platform for the local authorities, civil society, citizens, and other urban stakeholders ensuring that planning and adaptation processes are participatory. It will mobilise and rely on the participation of MLGDRD, Regional Coordinating Councils, academic partners, the civil society and the private sector. With its central role at the national level, the MLGDRD will define the framework of the Urban Observatory to be deployed in pilot cities. The ministry will coordinate the pilot projects, supervise the deployment of decentralised units and ensure its coherence. Therefore, a prior action to start with is the capacity building of the MLGDRD towards the development of both a platform for better urban governance and a digital tool for data-informed planning and urban management.

Beyond its role of institutional and technical platform for integrated and inclusive urban development, the Urban Observatory will implement and provide the digital tools to ensure the availability, updating and analysis of data to better understand urban dynamics and guide decision-makers in the development of Ghanaian cities. By collecting, mapping and monitoring urban data with a spatial and multisectoral approach, it will provide a new visibility to urban development issues, not only to decision-makers but also to local communities. These tools will equally contribute to facilitate access to and improve quality of urban services.

In parallel, an inter-institutional working group under the auspices of MLGDRD will be reinvigorated to improve national coordination and better integration of urban governance, policies and actions. Technical assistance will also be provided to support the ministry, including to assess the functioning (and challenges) of the Urban

Development Unit and its potential contribution to future implementation of integrated urban policies. To ensure regional and global coherence, the Urban Observatory could also serve as an entry point for connecting Ghanaian cities to a global network of cities and expertise.

#### Indicative activities relating to Output 1.2:

Urban services and investment are often planned and managed from a sectoral perspective, which leads to an unefficient use of resources, inadequate services and inappropriate answer to the challenges of climate change. To improve quality of planning but also sustainability, it is essential to move towards a more comprehensive and integrated approach anchoring planning and prioritisation within the context of spatial planning. The MMDA Planning and Coordinating Units (entities responsible for multi-sectoral planning and development plans at district level) will be strengthened through a capacity building programme (to be possibly complemented by on-the-job training, city-to-city exchanges both nationally and internationally). The programme will be developed with the Local Government Service (LGS), based on a need assessment of the MMDA in northern Ghana, and implemented at local level to cover issues such as:

- Integrated urban planning, focusing on the need to develop a vision (mid & long-term priorities), integrate resilience and climate change reality, promote dense/compact development, use a participatory approach;
- Spatial planning, land management, focusing on the use of appropriate cadastral, plot demarcation and attribution practice, land digital information/management systems and land value capture;
- Project design and management, focusing on the ability to mobilise domestic and external investment/funding, and on monitoring;
- Data management, focusing on collection and updating of database at local level (in relation to the Urban Observatory) in collaboration with the M&E Unit of MLGDRD, GSS and NDPC and aligned to existing data collection mechanisms and tools;
- Municipal finance and domestic resource mobilisation.

Because there is a limited recognition of “integrated urban planning” as a discipline – development planners are economic planners, physical planners are infrastructure specialists – academia will also contribute to the training modules and to change this perception. In addition, an assessment of the existing curricula offered by academic institutions in Ghana on topics related to urban planning, environmental management and climate mitigation will be conducted and a strategy developed to increase and improve the education offer (part of phase 2). At national level, similar training modules will target the capacity of the Ministries (MLGDRD and others) in their strategic and technical advisory role to equally ensure a culture and understanding of integrated urban development.

#### Indicative activities relating to Output 1.3:

The supported MMDAs will benefit from technical assistance for the implementation and the revision of legal and strategic frameworks to foster Domestic Resource Mobilisation (DRM). A strategy and operational plans will be developed to effectively increase the revenue directly generated, accessed and utilised by district assemblies, while ensuring an adequate allocation of spending for social services, in particular for marginalised groups. Support will also target reforms of tax policies (including environmental taxes and lands value capture), improvement of accountability mechanisms for budget execution, promotion of the role of the civil society and citizen’s awareness raising campaign to build tax-payer “education”.

Directly related to improving urban planning and increasing mobilisation of domestic resources, technical assistance and provision of equipment will be at the core of the support provided to the MMDAs to transform their tools and mainstream digital technologies for improved delivery of urban services. This technical support will include, in particular, the provision and training on the use of financial and geo-data/referencing (GIS) open-source software to increase MMDAs internally generated funds.

#### Indicative activities relating to Output 2.1:

Complementing the capacity building programmes described above (related to Outputs 1.2 and 1.3), planning units will be trained to increase their knowledge in climate change adaptation and mitigation and of the use of related tools such as Strategic Environmental Assessments (SEA), Environmental & Social Impact Assessments (ESIA). The targeted cities will be supported in preparing strategies to fight against climate change and, when appropriate, in translating or updating in their local development plans the Ghanaian climate commitments and targets (including the NDCs), and track progress of implementation.

#### Indicative activities relating to Output 3.1:

Capacities of staff responsible for the planning and delivery of urban services will be reinforced. In particular, the relevant staff will benefit from practical on-the-job training and/or peer-to-peer exchanges adapted to the development priorities of their MMDA among the following sectors: mobility, energy, waste, water and sanitation. Supporting capacity and delivery of upgraded climate sensitive services will also contribute to achieving Output 2.1.

Finally, a smaller number of cities (three maximum), to be selected during the inception phase, will be supported (financially and technically) in the implementation of an integrated, and climate smart, urban project, at the scale of a community, in view of providing practical training opportunities, but also incentive for the assemblies to properly engage in and see the benefit of the planning process. To improve sustainability of this kind of support, access to the trainings (and to the resources for implementation of the priority project) will be conditioned to the commitment of maintaining a specific team in place for at least 5 years. This principle will be discussed with the MLGDRD and the LGS, which are responsible for human resources management at decentralised level.

The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

### 3.3 Mainstreaming

#### **Environmental Protection & Climate Change**

Environment and climate change are directly linked to the Objective 2 of the action "Improve environmental management and climate mitigation by targeted cities". The national, regional and city level stakeholders will benefit from technical assistance and capacity building to contribute to the development of appropriate knowledge and skills to plan, design, implement and monitor integrated urban actions in line with local climate strategies (to also be developed with the support of the action). Furthermore, the action will support the implementation of small-size integrated and climate smart urban pilot projects, at the scale of a community in the targeted cities, to ensure consolidation of the skills and knowledge developed during the training. In parallel, the Urban Observatory will provide an adequate platform/tool to monitor the dynamics of urban development including the impacts on environmental aspects.

#### **Outcomes of the SEA screening** (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

#### **Outcomes of the EIA (Environmental Impact Assessment) screening** (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category B (not requiring an EIA, but for which environment aspects will be addressed during design).

The action foresees the implementation of small integrated and climate smart urban pilot projects, at the scale of a community in the targeted cities. The design of these projects will be based on the capacity building programmes and shall therefore integrate the principles of environmental management, green city planning, urban resilience, green infrastructure, sustainable and low carbon mobility and the application of nature-based solutions in urban planning. The technical assistance will be involved in the preparation and implementation of the pilot projects and will ensure environmental aspects will be properly addressed.

#### **Outcome of the CRA (Climate Risk Assessment) screening** (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment).

#### **Gender equality and empowerment of women and girls**

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that special attention will be paid to gender aspects in the implementation of the action and related activities. The inclusion of women and girls must be sought in all activities, whether during the setting-up of the Urban Observatories (National and Local), the capacity building activities, the participatory urban planning processes (for the preparation of basic services and infrastructure), through "community mapping" actions and during the

implementation of the pilot projects. The Action will contribute to the Gender Action Plan III 2021-2025, especially contributing to gender responsive urban policies in Ghana.

#### **Human Rights**

Particular attention will be paid to the promotion of an inclusive approach in the urban planning processes and in the preparation of future investments to maximise the participation of women, young people and populations living in vulnerable situations. The action will apply a human rights-based approach and ensure the application of the five following operational principles: transparency, participation, accountability, non-discrimination and respect for all human rights.

#### **Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that special attention will be paid to the inclusion of disability aspects in the implementation of the action and related activities. People With Disabilities (PWD) will be represented in the Urban Observatories (National and Local), integration of disability aspects will be ensured and an integral part of the capacity building programme to advocate for appropriate planning and design of urban services and investments, and awareness-raising campaign will be designed targeting both urban development professionals and the general public.

#### **Democracy**

Democracy is, along with human rights, an essential part of the Joint Programming Ghana 2021-2027. This action will indirectly contribute to the development of a more democratic and legitimate system by improving local governance and the decentralisation process, but also by promoting a culture of social inclusion, inter-institutional dialogue, non-discrimination and the sharing of data and knowledge as well as the participation of civil society and other partners in the decision-making processes related to local public policies.

#### **Conflict sensitivity, peace and resilience**

In order to minimise risk of conflicts, the action will develop a highly participatory approach at all levels. The activities at local level will be implemented through an inclusive approach, with a strong focus on dialogue facilitation, peace promotion, and mitigation and management of conflicts.

#### **Disaster Risk Reduction**

Responsiveness to disaster risks at the municipal level is an essential component of urban resilience to climate events and rapid urbanisation. Particular attention to disaster risk reduction will be paid during the preparation phase of the Urban Observatory and the capacity building programmes for operational and integrated urban planning. Reduction of disaster risks in urban areas include floods, landslides, urban heat islands, atmospheric pollution. Operational urban planning has the capacity to anticipate and prevent disaster by planning and implementing blue and green infrastructure, low carbon mobility/transport, and promote industrial symbiosis through the circular economy and green coverage.

#### **Other considerations, if relevant**

Involvement and contribution of the civil society to this action will be essential, in particular in their role of "watchdog" to strengthen accountability mechanisms in the development of more sustainable cities and improved urban governance. In parallel, digitalisation of urban planning tools and appropriate consultation will trigger public participation and citizen engagement in the process of urban development, urban infrastructure projects and programmes. The operationalisation of urban observatory units at local level will promote the participation of youth and women.

### **3.4 Risks and Lessons Learnt**

<b>Category</b>	<b>Risks</b>	<b>Likelihood (High/ Medium/ Low)</b>	<b>Impact (High/ Medium/ Low)</b>	<b>Mitigating measures</b>
External environment	Degradation of the macro economy and PFM context limiting the resources at local level	High	High	A continuous policy dialogue of the EU and partners with the government to keep the fiscal space for MMDAs.

	and investments opportunities			In parallel, for specific interventions, integration of the risk in the identification of potential investments (i.e. blending operations) and in the selection of the financing partners, including by assessing their capacity to deliver and use the EU grant resources even if the loan/guarantee components are cancelled.
External environment	Overall situation in Ghana changes from being calm and stable to being volatile, potentially related to the next presidential elections (2024) or to expansion of terrorist groups	Medium	High	Under the Joint Programming Ghana, specific actions will act on conflict prevention and peacebuilding.  In a deteriorating situation, this action could, if necessary, be modified to better address the new context and emerging challenges.
External environment	Degradation of the health situation related to Covid-19 crisis (or similar)	Low	Medium	Based on the experience of 2020 (beginning of Covid-19 crisis), the action implementation strategy will adapt its approach and ensure appropriate prevention measures and contribution to the improvement of the global situation.
Planning, processes and systems	Overlapping responsibilities and mandates between governmental entities which hamper the deployment of the Urban Observatory at central level	Medium	Medium	There are laws in place that clearly state the responsibilities and mandates of the relevant government stakeholders. Facilitate the dialogue between the relevant government stakeholders, contribute to clarifying the role played by the various entities and the added value they can bring to the Urban Observatory.  As a last resort, focus solely on the deployment at local level, building on the mandate of the decentralised entities.
People and organisation	Shift of priorities on the part of the Government and/or key stakeholders	Low	Medium	Involving key ministries, departments and agencies at central and local levels, and other key stakeholders, in the design and the implementation of the project.

#### **Lessons Learnt:**

Early involvement of authorities, institutions and communities at all steps of the programme's cycle will contribute to minimise/mitigate the risks of lack of political will, institutional weaknesses and/or insufficient commitment by national/regional/municipal authorities and institutions. Authorities at national and local level will be fully involved during the implementation of the action. In parallel, strong donors' coordination and information mechanisms between EU and its MS, and with other key donors (UK, WB), will help avoiding fragmentation, duplication, and inefficiencies.

In addition, the below lessons learnt from the previous EU decentralisation programme will be used to improve the implementation of this new action:

- *The policy dialogue on public administration reform, including decentralisation, is maintained, reinforced and conducted in tandem with other like-minded donors, in various flexible and modular formats;*

- *Any future EU-funded intervention takes into account the institutional and structural challenges of the central and local administrations and thus adjusts its response and implementation strategy accordingly;*
- *Next programmes capitalise on the relative success of locally-driven service delivery improvements, especially with regard to IGF collection, popular participation and local economic development;*
- *The EU support is more tailor-made, with focus only on the areas that may effectively push the decentralisation agenda forward (such as direct support to decentralised structures at the district level).*

### 3.5 The Intervention Logic

The underlying intervention logic for this action is that well-planned and managed cities improve the quality of life and increase economic opportunities for the entire urban population. Improved urban governance and integrated urban development will exploit opportunities in climate change mitigation and adaptation, environment and natural resources. Adequate planning and investments are critical to ensure the preservation of the environment and social inclusiveness of cities. Digitalisation and digital technologies will be mainstreamed in urban services.

IF platform and mechanisms to support inter-institutional coordination and ensure structured participation of all stakeholders are functional, IF systems for policy monitoring & evaluation are available, IF quality urban-related data are available to support dialogue and decision-making, THEN opportunities for dialogue and cooperation between national and regional administration, city authorities, civil society and private sector on urban management will be provided.

IF the staff from the MMDA financial, administration, plan & budget departments benefits from tailored capacity building in fiscal planning, accountability mechanisms for budget execution and reporting, digital literacy, IF the trained staff remains assigned in the same urban areas and in similar positions, IF local authorities have the necessary resources to translate the strategies into services and investments, therefore providing the opportunity to apply the skills/knowledge learned, IF participation and education of the population (tax payers) is ensured, THEN city authorities' financing capacities will be enhanced, with increased fiscal revenues and improved budget execution.

IF the staff from the MMDA Planning and Coordinating Units, and from relevant sectoral decentralised departments, benefits from tailored capacity building on climate sensitive integrated planning and practical technical support in upgrading quality of services, IF the trained staff remains assigned in the same urban areas and in similar positions, IF local authorities have the necessary resources to translate the plans into services and investments, therefore providing the opportunity to apply the skills/knowledge learned, THEN overall city authorities' capacities will be improved, and in particular.

IF opportunities for dialogue and cooperation between national and regional administration, city authorities, civil society and private sector on urban management will be provided, IF overall city authorities' capacities in climate sensitive integrated urban planning and smart, sustainable and accessible municipal services delivery are improved, IF city authorities have increased their fiscal revenues and improved budget execution, IF political will exists at national level to collaborate with other ministries/agencies and at city level to work with adjacent municipalities/districts, IF local authorities understand the long-term benefit of investing time and resources (including human) in climate sensitive integrated urban planning, THEN urban governance and urban policy framework for climate and gender sensitive integrated urban planning, environmental management and delivery of quality urban services will be improved AND cities will be better managed.

With cities better managed, urban dwellers will benefit from a more sustainable, prosperous and inclusive environment.

This first action will prepare the terrain and start-up the support to Smart and Sustainable cities, which will substantially contribute to the Global Gateway. This action will be followed by a fully-fledged action to support urban services delivery and small-scale infrastructure construction. The third phase of the action (2025-2027) could allow the establishment of a multi-donor (WB, AFD, EIB) fund to finance larger priority urban infrastructure.

### 3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest.

New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
<b>Impact</b>	To improve urban sustainability and prosperity for all	1 GERF 1.23/ SDG 1.1.1 - Proportion of the population living below the international poverty line, disaggregated by sex and age	1 To be drawn from baseline studies	1 Still to be established	1 National statistics - if data is not available for target cities, baseline and endline surveys will need to be conducted and budgeted by the EU-funded intervention	<i>Not applicable</i>
<b>Outcome 1</b>	1 Improved national and city level policy framework for gender responsive integrated urban development	1.1 Extent to which civil society and other partners participate in planning and monitoring the implementation of urban policies  1.2 Extent to which city urban development plans adhere to principles of integrated urban development  1.3 Status of adoption of urban development plans in target city  1.4 Extent to which female and male city representatives, including persons with disabilities, participate in	1.1, 1.2, 1.3, 1.4 To be drawn from baseline studies	1.1, 1.2, 1.3, 1.4 Still to be established	1.1, 1.2, 1.4 Baseline and endline studies to be conducted and budgeted by the EU-funded intervention  1.3 Text of strategies and policy documents	Political will exists at national level to collaborate with other ministries/agencies and at city level to work with adjacent municipalities within the same urban area



		development of the national urban policy				
<b>Outcome 2</b>	2 Improved environmental management and climate change adaptation and mitigation by targeted cities	<p>2.1 Number of cities that adopted a climate change strategy whose development was supported by the EU-funded intervention</p> <p>2.2 Proportion of volume of water billed in relation to volume of water produced in target city on annual level</p>	<p>2.1 – 0</p> <p>2.2 To be drawn from baseline studies</p>	2.1, 2.2 Still to be established	<p>2.1 Adopted strategy document</p> <p>2.2 Ministry/agency/MMDAs administrative data</p>	Local authorities have the political will and understand the long-term benefit of investing time and resources (including human)
<b>Outcome 3</b>	3 Increased delivery of quality urban services and accountability of local authorities in targeted cities	<p>3.1 GERF 1.30/ SDG 6.1.1. (GAP III) Proportion of population using safely managed drinking water services</p> <p>3.2 Proportion of population with convenient access to public transport, electricity and safely managed sanitation services, disaggregated by sex, age and disability status</p>	<p>3.1 To be drawn from baseline studies</p> <p>3.2 To be drawn from baseline studies</p>	3.1, 3.2 Still to be established	3.1, 3.2 Baseline and endline surveys to be conducted and budgeted by the EU-funded intervention + Ministry/agency/MMDAs administrative data	Local authorities have the resources, the political will and understand the long-term benefit of investing time and resources (including human)
<b>Output 1 related to Outcome 1</b>	1.1 Opportunities provided for dialogue and cooperation between national and regional administration, city authorities, civil society and private sector on urban management	<p>1.1.1 Number of city representatives participating in development of the national urban policy with support of the EU-funded intervention, disaggregated by sex and age</p> <p>1.1.2 Extent to which civil society and other partners participate in planning and monitoring the implementation of urban policies with support of the EU-funded intervention</p> <p>1.1.3 Number of cities with an operational Urban Observatory</p>	<p>1.1.1 - 0</p> <p>1.1.2 - 0</p> <p>1.1.3 - 0</p>	<p>1.1.1, 1.1.2 Still to be established</p> <p>1.1.3 - 3</p>	<p>1.1.1 Progress reports for the EU-funded intervention + Database of participants</p> <p>1.1.2 Baseline and endline studies to be conducted and budgeted by the EU-funded intervention</p> <p>1.1.3 Progress reports for the EU-funded intervention</p>	

<b>Output 2 related to Outcome 1</b>	1.2 Improved capacities of city authorities for integrated urban planning	<p>1.2.1 Extent to which EU-funded intervention contributed to implementation of measures enhancing integrated urban planning and/or implementation</p> <p>1.2.2 Number of beneficiaries trained by the EU-funded intervention with increased knowledge and/or skills in integrated urban planning, disaggregated by sex and age</p>	<p>1.2.1 - 0</p> <p>1.2.2 - 0</p>	1.2.1, 1.2.2 Still to be established	<p>1.2.1 Progress reports for the EU-funded intervention</p> <p>1.2.2 Progress reports for the EU-funded intervention + Database of training participants; pre- and post-training tests/surveys</p>	Trained staff remains assigned in the same urban areas and in similar positions and they have the opportunity to apply the skills/knowledge learned
<b>Output 3 related to Outcome 1</b>	1.3 Enhanced financing capacities of cities (i.e. improving collection of local taxes, procurement, etc.)	<p>1.3.1 Extent to which the EU-funded intervention contributed to efficiency of administrative systems through utilisation of ICT tools (digitalised cadastre, tax &amp; revenue collection...)</p> <p>1.3.2 Number of financial policies developed with the support of the EU-funded intervention</p> <p>1.3.3 Number of beneficiaries trained by the EU-funded intervention with increased knowledge and/or skills in public financial management and budgeting, disaggregated by sex and age</p> <p>1.3.4 Proportion of taxes collected in relation to planned tax collection in target city on annual level</p>	<p>1.3.1 - 0</p> <p>1.3.2 - 0</p> <p>1.3.3 - 0</p> <p>1.3.4 To be drawn from baseline studies</p>	1.3.1, 1.3.2, 1.3.3, 1.3.4 Still to be established	<p>1.3.1 Baseline and endline studies to be conducted and budgeted by the EU-funded intervention</p> <p>1.3.2 Progress reports for the EU-funded intervention</p> <p>1.3.3 Progress reports for the EU-funded intervention + Database of training participants; pre- and post-training tests/surveys</p> <p>1.3.4 Ministry/agency/MMDAs administrative data</p>	Trained staff remains assigned in the same urban areas and in similar positions and they have the opportunity to apply the skills/knowledge learned
<b>Output 1 related to Outcome 2</b>	2.1 Improved capacities of cities to design and implement urban climate change strategies for mitigation and adaptation	2.1.1 GERF2.5/ EURF 2.19 - Number of cities with climate change and/or disaster risk reduction strategies (a) developed or (b) under implementation with EU support	<p>2.1.1 - 0</p> <p>2.1.2 - 0</p>	2.1.1, 2.1.2 Still to be established	2.1.1 Progress reports for the EU-funded intervention + annual and final reports from implementing organisations (e.g. governments,	Trained staff remains assigned in the same urban areas and in similar positions and they have

		2.1.2 Number of beneficiaries trained by the EU-funded interventions with increased knowledge of climate change mitigation and adaptation strategies, disaggregated by sex and age			international organisations, non-state actors)  2.1.2 Database of training participants; pre- and post-training tests	the opportunity to apply the skills/knowledge learned
<b>Output 1 related to Outcome 3</b>	3.1 Improved capacity and facilities for the delivery of smart, sustainable and accessible municipal services	<p>3.1.1 Number of people benefiting from new or upgraded services with support of the EU-funded intervention, disaggregated by sex, age and disability status</p> <p>3.1.2 Number of beneficiaries trained by the EU-funded intervention with increased knowledge and/or skills in smart urban services management, disaggregated by sex and age</p> <p>3.1.3 GERF 2.12 Number of (b) people supported by the EU with enhanced access to digital government services, disaggregated by sex and age**</p>	<p>3.1.1 - 0</p> <p>3.1.2 - 0</p> <p>3.1.3 - 0</p>	3.1.1, 3.1.2, 3.1.3 Still to be established	<p>3.1.1 Baseline and endline surveys to be conducted and budgeted by the EU-funded intervention</p> <p>3.1.2 Database of training participants; pre- and post-training tests</p> <p>3.1.3 Progress reports for the EU-funded intervention</p>	Trained staff remains assigned in the same urban areas and in similar positions and they have the opportunity to apply the skills/knowledge learned

## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Republic of Ghana.

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3 Implementation of the Budget Support Component

N/A

### 4.4 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>5</sup>.

#### 4.4.1 Indirect Management with a pillar assessed entity

This action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- Proven operational capacity to deliver similar actions (nature and size) – preference will be given to organisation(s) having prior satisfactory experience working on EU-funded initiatives with similar kind of activities;
- Ability to engage with a wide spectrum of stakeholders and partners – at equal proven ability, preference will be given to organisation(s) already working with key (national and international) urban development stakeholders in Ghana;
- Extended experience in urban development, in relation to the Outputs of the Outcomes of this action – at equal quality of experience in urban development, preference will be given to organisation(s) already working (or having recently worked) on these issues in Ghana;
- Experience in engaging with the private sector to prepare investments in urban services and infrastructure;
- Solid expertise in developing and delivering training modules in relation to urban development, and integrated urban planning in particular;
- Proven experience in digitalisation and digital skills development
- Quality of the proposal, in particular the methodology for the impact monitoring, capturing and implementing lessons learned, and change management.

The implementation by this entity entails budget implementation tasks (procurement and grant) and will include provision of technical assistance, organisation and facilitation of capacity building programme(s), provision of equipment, monitoring and evaluation and other support activities contributing to outcomes 1, 2 and 3.

<sup>5</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

#### 4.4.2 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In case it should prove impossible to work in indirect management and positively conclude the negotiations with a pillar assessed entity as specified in 4.4.1, due to circumstances outside of the commission's control, the action may be implemented in direct management through a combination of grants and procurements.

##### Grants:

##### (a) Purpose of the grant(s):

To provide opportunities for dialogue and cooperation between national and regional administration, municipal authorities, civil society and the private sector on urban management (Output 1.1), and increase the capacities and resources of MMDAs to deliver quality, smart, sustainable and accessible municipal services (Output 3.1, component related to pilot activities for service delivery to citizens ).

##### (b) Type of applicants targeted:

To contribute to Output 1.1 of the action, public bodies (central government), local authorities (MMDAs) and NGOs, along with Academic entities (i.e. universities) will be targeted. Indicative eligibility criteria are:

- Public bodies with a mandate in relation to local governance, cities and urban development;
- Local authorities (MMDAs) located in the Northern Regions of Ghana, or in a consortium with;
- NGOs with a proven experience in decentralisation and urban development in Ghana;
- Academic entities active in the Northern Regions of Ghana.

To contribute to Output 3.1 of the action, local authorities (MMDAs) from the Northern Regions of the country (Upper East and Upper West Regions, North-East Region, Savannah and Northern Regions) will be targeted.

##### Procurement:

The services of a suitably experienced, qualified and capacitated organisation, company or institution will be procured to provide technical assistance for the whole duration of the implementation of Specific Objectives 1 (Outputs 1.2 and 1.3), 2 (Output 2.1) and 3 (Output 3.1, capacity building component).

#### 4.5. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

## 4.6 Indicative Budget

<b>Indicative Budget components<sup>6</sup></b>	<b>EU contribution (amount in EUR)</b>
<b>Implementation modalities</b> – cf. section 4.4	
<b>Objective 1 - Improve national and city level policy framework for gender responsive integrated urban development</b> composed of	<b>5 700 000</b>
Indirect management with a pillar assessed entity - cf. section 4.4.1	5 700 000
<b>Objective 2 - Improve environmental management and climate change mitigation by targeted cities</b> composed of	<b>2 000 000</b>
Indirect management with a with a pillar assessed entity - cf. section 4.4.1	2 000 000
<b>Objective 3 – Increase delivery of quality urban services and accountability of local authorities in targeted cities</b> composed of	<b>7 000 000</b>
Indirect management with a pillar assessed entity – cf. section 4.4.1	7 000 000
<b>Evaluation</b> – cf. section 5.2 <b>Audit</b> – cf. section 5.3	<b>300 000</b>
<b>Totals</b>	<b>15 000 000</b>

## 4.7 Organisational Set-up and Responsibilities

A Steering Committee will be established, and chaired, by the lead Ministry (MLGDRD) in consultation with the Ministry of Finance (MoF) for the strategic guidance of the entire action. The European Union will co-chair the Committee. It will comprise the main governmental actors, at central and decentralised levels, representatives from the private sector and civil society. The implementing partners will participate as observers. The role, membership and governance (rules of procedure) will be confirmed during the inception phase of the action.

The Committee shall meet twice a year but could also be convened whenever the action implementation requires strategic decisions or changes. If deemed necessary, the Committee will form technical sub-committees to meet regularly under its supervision.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

## 4.8 Pre-conditions

N/A

# 5 PERFORMANCE MEASUREMENT

## 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular

<sup>6</sup> N.B: The final text on audit/verification depends on the outcome of ongoing discussions on pooling of funding in (one or a limited number of) Decision(s) and the subsequent financial management, i.e. for the conclusion of audit contracts and payments.

progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, lessons learned and implemented, and most importantly the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support). All monitoring and reporting shall assess how the action is taking into account the human rights-based approach and gender equality.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

The targeted implementing partner(s) is/are international organisations and EU Member States' development agencies with a demonstrated experience in implementing urban development actions, and already involved with the Government of Ghana (at central and/or local level). Hence, in addition of having relevant internal monitoring systems, they have already access to data / information useful for the action and know how to update their knowledge management system.

The implementing partner(s) will not only have to develop a proper baseline for the action and collect appropriate data in relation to the indicators of the logframe, but also to support the Government in generating, collecting and using the necessary dataset. In parallel, the Implementing Partner(s) will be responsible for identifying the relevant sources of information among the ministries, departments, and agencies (MDA), as well as other partners (academia, DPs, and NGOs).

It is important to note that the setting-up of a National (and Local) Urban Observatory will strongly contribute to the monitoring and reporting activities by improving the availability and quality of data in relation to urban development.

However, it will be the Implementing Partner(s)' responsibility to develop, together with the Government, a system of monitoring, lessons learned, and change management to be implemented from the start of the action, so to capture early lessons and allow for steering the action according to outcomes and opportunities, throughout the implementation period of the action.

## 5.2 Evaluation

Having regard to the importance of the action, a mid-term and final evaluations may be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to the formulation of follow-up actions in the period 2025-2027.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that it will be crucial to draw lessons from the first years of operationalisation of the National and Local Urban Observatories as supported under this action.

All evaluation shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluations team.

The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

### 5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

## 6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.



## Appendix 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: 'a given contract can only contribute to one primary intervention and not more than one'. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a 'support entities'. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as:

Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Indirect management with a with a pillar assessed entity - cf. section 4.4.4