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REPUBLIC OF GHANA

MINISTRY OF FINANCE
P.O. BOX MB 40
ACCRA

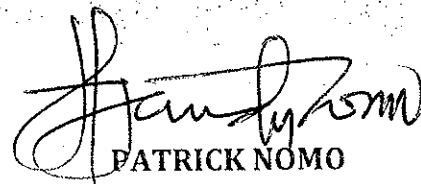
19th
November, 2018

THE CLERK TO PARLIAMENT
PARLIAMENT HOUSE
ACCRA

**JOINT PARLIAMENTARY MEMORANDUM BETWEEN THE
MINISTRY OF EDUCATION AND THE MINISTRY OF FINANCE ON
"SUPPORT TO BASIC EDUCATION PROJECT IN FIVE REGIONS"**

This is to kindly submit 300 copies each of Joint Parliamentary Memorandum and Draft Loan Agreement in respect of the above subject matter.

2. I will be grateful if you will arrange for it to be laid before parliament for consideration and approval.
3. Respectfully forwarded.


PATRICK NOMO
CHIEF DIRECTOR
for: MINISTER

cc: Hon. Minister, MoF
Hon.-Minister, MoE
Hon. Deputy Ministers, MoF

SECRET

PARLIAMENTARY MEMORANDUM

SUBMITTED BY THE

MINISTER FOR EDUCATION

AND

MINISTER FOR FINANCE

ON THE

SUPPORT TO BASIC EDUCATION PROJECT

ZST
OCTOBER 2018

1.0 ACTION REQUIRED

Parliament is respectfully requested to consider and approve a proposed credit of Thirteen Million, Five Hundred Thousand United States Dollars (US\$13.5million) from the Arab Bank for Economic Development in Africa (BADEA) to finance the Support to Basic Education Project in Five (5) Regions, representing the first phase of the project.

2.0 BACKGROUND INFORMATION

- 2.1 Ghana's Education system has undergone several reforms over the years. From the colonial and immediate pre-independence system of elementary, secondary/technical/vocational, post-secondary and higher educational systems, the country has undergone several educational metamorphosis to the current Basic, High School (including some technical and vocational schools), and Tertiary Education levels.
- 2.2 One of the main thrusts of the reforms is to increase equitable access to quality education across all levels of education as enshrined in the Education Sector Plan (ESP) 2010-2020. Enrolments have increased in recent decades and the demand for places in Basic Schools (Pre-School, Primary and Junior High School (JHS)) has risen tremendously. As a result, pressure is growing on the capacity of the existing schools to meet the increasing demand.
- 2.3 The Education Sector Performance Report (ESPR) 2015, indicates that under the implementation of the ESP 2010-2020, the basic education sub sector is positioned to provide equitable access to good-quality, child-friendly universal basic education, by improving opportunities for all children in the first cycle of education that is kindergarten, primary and JHS levels.
- 2.4 The ESPR 2015 states that the number of children accessing basic education in Ghana continues to rise for the Primary and JHS levels with the 2015/16 statistics showing increases in the Gross Enrolment Ratio (GER) and the Net Enrolment Ratio (NER) compared to that of 2014/15. Gender parity, completion rates, and the proportion of trained teachers have also shown marked improvements while deprived districts continue to improve in these indicators as well.
- 2.5 Furthermore, the GER and NER statistics at the Basic Level for a 6 year period (2010/11-2015/16) shows a significant and steady increase at the Primary and JHS

levels. Kindergarten has also shown consistent rise in numbers even though the percentage dropped in 2015/16.

- 2.6 These increases in the GER and NER suggest that a conscious and sustained effort must be made to expand and improve educational infrastructure at the three levels of basic education (KG, Primary and JHS) to match the ever-increasing numbers. Existing infrastructure must be improved and maintained, and new ones must be built to replace old and dilapidated structures to accommodate the children of school going age. Increased enrolment will bring pressure to bear on existing dilapidated buildings and will eventually lead to high demand for classrooms and other facilities for effective teaching and learning.
- 2.7 To address the infrastructure gap at the basic level Government, with support from BADEA seeks to implement Support to Basic Education Project. The project involves the construction of new classrooms, toilets, water supply, boreholes in 44 existing Basic Schools; supply and installation of Educational Furniture and Equipment for all new buildings and facilities.

3.0 PROJECT OBJECTIVES AND DESCRIPTION

3.1 Project Location

The Schools are located in Ashanti Region, Brong Ahafo Region, Central Region, Eastern Region and Western Region in Ghana. They are intended to serve the education sector in Ghana. The schools included in the project are 6 unit classroom blocks, 3 unit classroom blocks and 2 unit classroom blocks.

3.2 Project Objectives

The main objective of the project is to contribute to the provision of quality education by increasing access to basic education in public schools and to create an enabling environment for teaching and learning which will have a good impact in improving the quality of education in Ghana.

The proposed project aims at contributing to the improvement of the infrastructural facilities and equipment in 44 schools in five regions of Ghana.

3.3 Project Description and Components

The project falls under a comprehensive plan for construction and re-habilitation of 200 schools of education. Due to the high cost of the whole project, BADEA will contribute to the financing of the first phase of the plan. The first phase of the plan includes construction works for 44 schools and consists of the following components:

- a. Civil works and its ancillaries which include the following:
- Classrooms.
 - Teachers' common room.
 - Headmaster office.
 - Library.
 - Kitchen.
 - Stores.
 - Toilets.
 - External works including courtyards, water, sewerage and electricity facilities.
- b. Consultancy services for the preparation of the detailed designs, assisting the implementing agency with the preparation of the tender documents and supervision of the construction.
- c. Procurement of furniture and educational equipment.
- d. Support to Funds and Procurement Management Unit (FPMU).

3.0 IMPLEMENTATION PLAN

4.1 The implementing agency will be the Ministry of Education through its Funds & Procurement Management Unit (FPMU) which will be responsible for the project's coordination, procurement, contract management, financial management, and compliance with safeguards policies. The Monitoring and Evaluation Units at the MOE and the GES will assist with sector level monitoring.

4.2 The Project is expected to be implemented over a Three (3) year period and the GES will assist with activities related to basic school institutional leadership training.

5.0 STAKEHOLDER CONSULTATION RECORD

5.1 The project was developed through extensive consultation with the Ministry of Education, Ghana Education Service, Ministry of Finance, National Teaching Council, the Teacher Unions and Civil Society among others.

5.2 In addition, all 44 beneficiary schools were contacted and some selected ones were visited and needs assessments were undertaken with extensive discussions with their management. During the appraisal mission, the beneficiary schools and Funds and Procurement Management Unit (FPMU) were involved in the design of the Project.

6.0 LEGISLATION/REGULATORY PLAN

No new legislation or changes to existing legislation is required.

7.0 JUSTIFICATION FOR GOVERNMENT ACTION

- 7.1 The project is part of Government's plans to increase access and improve the quality of Basic Education to meet the growing demand for pupil enrollment in underserved areas in the Country.
- 7.2 Besides, the project is aligned with the priorities of Ghana's Medium Term Development Framework (MTDF), which emphasizes the expansion of schools at all levels within the context of the human capital development priorities. It also seeks to resolve the key development challenge of expansion at the basic level in the country.
- 7.3 The Project is expected to benefit approximately 8,000 pupils in basic education including, school teachers, head teachers and other beneficiaries.
- 7.4 Additionally, the project resonates with the objectives of the Education Sector Development Plan (ESDP) (2003-2015) which emphasizes improving equitable access and quality of education as well as the Post 2015 Agenda of Re-thinking Education for enhanced socio-economic development.

8.0 OPTIONS AND IMPACTS CONSIDERED

- 8.1 Whilst Government continues to undertake other interventions such as the reconstruction and rehabilitation of 76 school structures and the construction of 80 Kindergarten Blocks, among others for Basic Schools in mostly underserved areas, the proposed project will further help to improve quality of teaching and learning and provide viable education for school children/pupils at the basic level.
- 8.2 The project will help to adequately equip the proposed 44 schools with educational infrastructure such as classroom facilities, libraries, and toilets among others. This will ensure a conducive environment to promote effective teaching and learning.
- 8.3 The project will also help to adequately furnish the schools with educational furniture and equipment for effective teaching and learning.
- 8.4 Besides, the training component of the project will enhance the skills of the trainees with new teaching methodologies and new learning approaches for the benefit of pupils. This will ensure improved results of pupils thereby increasing the transition rates from the Basic to the Secondary level.

9.0 FINANCIAL IMPACT AND CONSIDERATION

9.1 The project cost is Fifteen Million United States Dollars (US\$15,000,000).

The details (US\$):

NO.	COMPONENT	BADEA (US\$)	GoG (US\$)
1.	Civil Works	9,420,000	900,000
2.	Educational Furniture & Equipment	990,000	-
3.	Consultancy Services for Design & Supervision	980,000	-
4.	PIU Support	210,000	400,000
5.	Project Start Workshop	50,000	-
6.	Auditing Project Accounts	50,000	-
7.	Physical Contingencies	940,000	90,000
8.	Price Escalation	860,000	110,000
	Total	13,500,000	1,500,000
	Total in Percentages	90%	10%

9.2 The terms and conditions of the loan facility are as follows:

Total Credit Amount	US\$13.5million
Interest-Rate	2.0% per annum
Grace Period	10 years
Repayment Period	18 years
Maturity	28 years
Grant Element	35.7%

9.0 COMMUNICATIONS

9.1 Renovating existing infrastructure and the construction of new ones at the Basic level is one of the critical issues being addressed by Government in line with quality education delivery to accelerate the nation's socio-economic development.

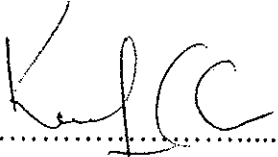
- 9.2 The Ministry of Education has discussed the proposed Project through several platforms. These include monthly engagements with stakeholders in the education sector through meetings and other fora.
- 9.3 The Ministry will continue to communicate the initiative through circulars to all Ministries, Departments and Agencies, and at official engagement with the media and general public as well as functions organized by/or attended by the Ministry. The electronic website of the Ministry as well as other social networks will also be employed to communicate the project.

10.0 Tax exemption

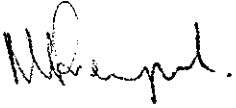
In accordance with the General conditions governing BADEA loans, the loan proceeds shall be exempt from all taxes. Thus the loan proceeds cannot be used to pay local taxes, VAT and custom duties on importation, Procurement supply, civil works or service financed by the loan. The Ghana Revenue Authority will assess the total duties and taxes on all related goods and equipment to be financed from this BADEA Loan and will be submitted later for exemption.

CONCLUSION

In view of the foregoing, Parliament is respectfully requested to consider and approve the proposed credit of Thirteen Million, Five Hundred Thousand United States Dollars (US\$13.5million)- from the Arab Bank for Economic Development in Africa (BADEA) to finance the Support to Basic Education Project.


.....
HON. KEN OFORI-ATTA
MINISTER OF FINANCE

Date: 31 Oct 2018


.....
HON. DR. MATTHEW OPOKU PREMPEH
MINISTER OF EDUCATION

Date: 31 Oct 2018

**BADEA - SUPPORT TO BASIC EDUCATION PROJECT
COST ESTIMATES**

S/N	Region	School/Location	MMDA	Facility Needed	Floor Area (m ²)	Cost/m ² (\$)	Sub-Total (\$) [a]	**10-Seater & 5-Seater WC Toilet Block (66m ² & 33m ² @\$500) [b]	Mechanised Borehole [c]	Overhead Tank Support [d]	Electricity Connection/extension [e]	Sub-Total Estimated Cost [a+b+c+d+e] (f)	Locational Factor [g]	Total Estimated Cost (\$) [f x g]
1	ASHANTI	EFFIDUAISE METHODIST JHS	EFFIDUAISE	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.05	119,280.00
2	ASHANTI	ATOBIASE D/A BASIC SCHOOL	ADANSI SOUTH	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.05	98,857.50
3	ASHANTI	BOSOMTWE MODEL SCH (STEM)	BOSOMTWE	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	181,755.00
4	ASHANTI	ATWIKRA APEWANIM MODEL SCH	AWANSIE WEST	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	181,755.00
5	ASHANTI	HEAVEYA D/A PRIMARY	AWANSIE CENTRAL	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	181,755.00
6	ASHANTI	ABSEWA RC PRIMARY	JUABEN	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.05	98,857.50
7	ASHANTI	ABOASO D/A PRIMARY SCHOOL	BOSOMTWE	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	181,755.00
8	ASHANTI	ST. ANN ANGLICAN PRIMARY	KUMASI	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	181,755.00
9	ASHANTI	PRESBY JHS, BOMPATA	ASANTE-AKIM SOUTH	3-Unit Classroom Block	350	250.00	87,500.00	34,000.00	5,000.00	2,600.00	1,500.00	130,600.00	1.05	137,130.00
10	ASHANTI	MANSO ABORE PRIMARY	AWANSIE WEST	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	181,755.00
11	ASHANTI	SAWADANHYA BASIC	ASOKORE MANPONG	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.05	98,857.50
12	ASHANTI	APCE DEMONSTRATION SCH, AGOGO	ASANTE-AKIM NORTH	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	181,755.00
13	BRONG AHAFO	AKRODIE R/C KG & PRIMARY	ASUNAFI NORTH MUNICIPAL	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.10	190,410.00
14	BRONG AHAFO	BREME RC JHS	ASUNAFI SOUTH	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.10	124,960.00
15	BRONG AHAFO	KENYASI - NUOCHO METHODIST BASIC	ASUTIFI NORTH	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.10	103,565.00
16	BRONG AHAFO	ATEBUBU SDA PRIMARY	ATEBUBU-AWANTIN	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.10	190,410.00
17	BRONG AHAFO	ASIKASU NO.1 METHODIST PRIMARY	DORMAA CENTRAL MUNICIPAL	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.10	190,410.00
18	BRONG AHAFO	ASIRI PRESBY JUNIOR HIGH SCHOOL	JAMAN NORTH	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.10	124,960.00
19	BRONG AHAFO	NSUTA RC PRIMARY	TECHIMAN MUNICIPAL	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.10	103,565.00
20	BRONG AHAFO	METHODIST D/A JHS	DORMAA EAST	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.10	124,960.00
21	BRONG AHAFO	BABIANIHA R/C KG/PRIMARY	JAMAN SOUTH	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.10	190,410.00
22	CENTRAL	Seth Okai Primary Sch.	AGONA EAST	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.10	103,565.00
23	CENTRAL	TEKYAM D/A JHS	GOMDIA EAST	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.10	124,960.00
24	CENTRAL	ETSU-ABAKA ISLAMIC BASIC	AJUMAKO-EINYAN-ESSIAM	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.10	190,410.00
25	CENTRAL	NYAME NAAE M/A BASIC SCHOOL	ASSIN NORTH MUNICIPAL	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.10	103,565.00
26	CENTRAL	NUMAKROM D/A KG/PRIMARY/J H S.	TWIFO ATI-MORKWA	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.10	124,960.00
27	CENTRAL	APESIKA M/A PRIMARY	CAPE COAST NORTH	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.10	103,565.00
28	EASTERN	AKIM AWISA METHODIST JHS	BIRIM	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.10	103,565.00
29	EASTERN	AKOSOMBO V.R.A KYEASE PRIMARY	ASUJGYAMAN	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	181,755.00
30	EASTERN	ADANSO PRESBY PRIMARY	AKWAPI NORTH	6-Unit Classroom Block	520	250.00	130,000.00	17,000.00	5,000.00	2,600.00	1,500.00	156,100.00	1.05	163,905.00
31	EASTERN	ASLOKAW PRESBY PRIMARY	UPPER WEST AKIM	3-Unit Classroom Block	350	250.00	87,500.00	34,000.00	5,000.00	2,600.00	1,500.00	130,600.00	1.05	137,130.00

S/N	Region	School/Location	MMDA	Facility Needed	Floor Area (m ²)	Cost/m ² (\$)	Sub-Total (\$) [e]	**10-Seater & 5-seater WC Toilet Block (66m ² & 33m ² @ \$500) [b]	Mechanised Borehole [c]	Overhead Tank Support [d]	Electricity Connection/extension [e]	Sub-Total Estimated Cost [a+b+c+d+e] (f)	Locational Factor [g]	Total Estimated Cost (\$) [f x g]
32	EASTERN	MARF-ABUWUKOPE D/A PRIMARY	AFRAM PLAINS (KWAHU NORTH)	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	181,755.00
33	EASTERN	BEPONG R/C BASIC SCHOOL	KWAHU SOUTH	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	181,755.00
34	EASTERN	OSIEM PRESBY PRIMARY	ABUAKWA NORTH	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	181,755.00
35	EASTERN	ENTRESTI ISLAMIC BASIC SCHOOL	ATIWA	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	181,755.00
36	EASTERN	IKWATENG HASRIYA ISLAMIC PRIMARY AND KG SCHOOL	BIRIM NORTH	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	181,755.00
37	WESTERN	ASIKASU-ODUMASE METHOD. PRIM	AHAMTA WEST	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.10	190,410.00
38	WESTERN	Rhyner Paul Anglican Primary Sch	SEKONDI TAKORADI	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.10	190,410.00
39	WESTERN	Diabene Catholic Prim. Sch.	SEKONDI TAKORADI	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.10	190,410.00
40	WESTERN	SHAMA D/A PRIMARY	SHAMA	6-Unit Classroom Block	520	250.00	130,000.00	17,000.00	5,000.00	2,600.00	1,500.00	156,100.00	1.10	171,710.00
41	WESTERN	DEBISO D/A JHS	BIA WEST	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.10	124,960.00
42	WESTERN	ANTOBAM D/A JHS	AMENFI CENTRAL	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.10	124,960.00
43	WESTERN	GWIRA BABIANI METHODIST J.H.S	NZEKA EAST MUNICIPAL	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.10	103,565.00
44	WESTERN	INSUAEM D/A PRIMARY SCHOOL	TARKWA	6-Unit Classroom Block	520	250.00	130,000.00	17,000.00	5,000.00	2,600.00	1,500.00	156,100.00	1.10	171,710.00
750,000.00														
Estimated Cost (Civil Works)														
7,433,207.50														
Consultancy Service														
PIU (Operational Cost)														
Furniture & Equipment														
Project Start Workshop														
Auditing														
Sub-Total														
Contingency + Price Escalation														
Unallocated Funds														
Total Estimated Cost														
13,470,395.00														

Exchange rate: GHC 4.2/US\$ (April/May 2017)

NOTE

1. Kindergarten (KG) Block

A Kindergarten Block has the following ancillary facilities:

i) Washroom attached (2No. WCs each for Boys and Girls, 1No. WC for Staff and a Shower)

ii) Head Teacher's office

iii) Kitchen/pantry area

iv) 2No. Stores

v) Sanded play area with paved walkway

- Finished with Unpolished porcelain floor tiles, louvre blade windows, panelled doors, and pvc T&G ceiling.

** 5-Seater WC Toilet Block (33m²) for 3-Unit Classroom Block, and 10-Seater WC Toilet Block (66m²) for 6-Unit Classroom Block

2. 3-Unit and 6-Unit Classroom Blocks

They have the following enhanced features and specifications:

i) Terrazzo floor finish

ii) Ceiling in all classrooms, verandah and eaves

iii) Electrical wiring and lighting for all classrooms, offices, and external areas

iv) Landscaped/paved courtyard for the 6-Unit Classroom Block

v) Paved walkway connecting the Toilet Block to Classroom Block

vi) Panelled doors and louvre blade windows with burglar proofing

LOAN AGREEMENT

SUPPORT TO BASIC EDUCATION IN FIVE REGIONS
PROJECT

BETWEEN

THE REPUBLIC OF GHANA

AND

**THE ARAB BANK FOR ECONOMIC
DEVELOPMENT IN AFRICA**

DATED _____ 2018

LOAN AGREEMENT

Agreement dated _____ 2018, between the Republic of Ghana (hereinafter called "the Borrower") and the Arab Bank for Economic Development in Africa (hereinafter called "BADEA").

WHEREAS:

- (A) The Borrower has requested BADEA to assist in financing the Project described in Annex "II" of this Agreement;
- (B) The Borrower has agreed to contribute an amount equivalent to about one million five hundred thousand United States Dollars (US\$1,500,000) for this purpose;
- (C) The purpose of BADEA is to further the economic development of African countries within the framework of solidarity and mutual interest and thus to strengthen the ties between African states and the Arab Nation;
- (D) BADEA is convinced of the importance and usefulness of the said Project in developing the economy of the Borrower; and
- (E) BADEA has agreed, in view of the foregoing, to grant the Borrower a loan on the terms and conditions set forth in this Agreement;

NOW, therefore, the parties hereto agree as follows:

ARTICLE I
GENERAL CONDITIONS - DEFINITIONS

Section 1.01 The parties to this Agreement accept all the provisions of the attached General Conditions applicable to Loan and Guarantee Agreements of BADEA, dated October 28, 1979, (hereinafter called the "General Conditions") as amended up to the date of this Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02 Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective meanings set forth and the following additional terms have the following meanings:

- (A) "Ministry" means the Ministry of Education of the Borrower.
- (B) "FPMU" means the Funds and Procurement Management Unit established within the "Ministry" and will be responsible for the project implementation.
- (C) "PIU" means the Project Implementation Unit which will be established from within "FPMU" to be directly responsible of the project implementation.

ARTICLE II
THE LOAN

Section 2.01 BADEA agrees to lend to the Borrower, the sum of thirteen million and five hundred thousand United States Dollars (US\$13,500,000), on terms and conditions set forth or referred to in this Agreement.

Section 2.02 The amount of the Loan may be withdrawn from the Loan Account in accordance with the provisions of Annex "A" of this Agreement, or as such Annex may be amended from time to time by agreement between the Borrower and BADEA, for expenditures made (or if BADEA shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Loan.

Section 2.03 Except as BADEA shall otherwise agree, goods and services required to carry out the Project and financed out of the proceeds of the Loan shall be procured in accordance with the procedure specified in Annex "B" of this Agreement.

Section 2.04 The closing date shall be June 30th, 2024 or any other later date established by BADEA and promptly notified to the Borrower.

Section 2.05 The Borrower shall pay interest at the rate of two per cent (2%) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

Section 2.06 Interest and other eventual charges shall be payable semi annually. The dates of payments will be fixed on the basis of the first day of the month following the first withdrawal from the Loan Account.

Section 2.07 The Borrower shall repay the principal of the Loan in thirty six(36) semiannual installments, as specified in Annex "I" to this Agreement, after a grace period of ten (10) years to be calculated from the first day of the month following the first withdrawal from the Loan Account.

ARTICLE III
EXECUTION OF THE PROJECT

Section 3.01 The Borrower shall cause the Ministry's FPMU to carry out the Project, with due diligence and efficiency and in conformity with appropriate financial, administrative and engineering practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for this purpose.

Section 3.02 The Borrower shall submit to BADEA for approval the draft programme of implementation of the Project and any material modifications subsequently made therein, in such detail as BADEA shall reasonably request.

Section 3.03 The Borrower shall cause the Ministry's FPMU to establish 'PIU' from within FPMU consist of a Project Manager assisted by an Architect, Procurement Officer, Accountant and Secretary.

Section 3.04 In order to assist the Borrower in the day-to-day supervision of the Project, the Borrower shall employ consultants, whose terms of reference, qualifications and conditions of employment shall be acceptable to BADEA.

Section 3.05 (a) In addition to the Loan proceeds, the Borrower shall make available, promptly as needed, all other funds which shall be required for carrying out the Project, including all funds that may be required to meet any increase in cost beyond the estimated cost of the Project at the time of signing this Agreement, all such funds are to be made available on terms and conditions satisfactory to BADEA.

(b) The Borrower undertakes to make adequate annual budgetary allocations to meet its share of the Project's cost as stated in Preamble (C) of this Agreement and shall submit to BADEA evidence to that effect.

Section 3.06 The Borrower shall take all such actions as shall be necessary to acquire all lands and rights in respect of such lands and as shall be required for carrying out the Project.

Section 3.07 The Borrower shall (1) maintain adequate records of the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project, and the cost thereof and to reflect in accordance with consistently maintained sound accounting practices the operations, resources and expenditures, in respect of the Project, (2) afford all reasonable opportunities for accredited representatives of BADEA to make visits for purposes related to the Loan, and to inspect the Project, the goods and any relevant records and documents; and (3) furnish to BADEA all such information as BADEA shall reasonably request concerning the expenditures from the proceeds of the Loan, the Project and the goods financed out of such proceeds.

Section 3.08 The Borrower shall insure or cause the Ministry to insure with reputable insurers, all imported goods financed out of the proceeds of the Loan against hazards incidental to the acquisition, transportation and delivery thereof to the place of use or installation. This insurance shall be for such amounts as shall be consistent with sound commercial practices. For such insurance, any indemnity shall be payable in a currency freely usable by the Borrower to replace or repair such goods.

Section 3.09 (a) The Borrower shall furnish BADEA with quarterly reports, not later than 30 days after the end of every quarter of each calendar year, of such scope and in such detail, as BADEA shall reasonably request on the progress of the execution of the Project.

(b) Within six months following the last withdrawal from the Loan Account, the Borrower shall prepare and furnish to BADEA a report, of such scope and in such detail as BADEA shall reasonably request, on the execution and initial operation of the Project, its cost and the benefits derived and to be derived from it and on the performance by the Borrower or the Ministry and BADEA of their respective obligations under this Agreement and on the accomplishment of the purposes of the Loan.

ARTICLE IV
PARTICULAR COVENANTS

Section 4.01 The Borrower shall in respect of the Project (i) keep separate accounts for the Project, (ii) have these separate accounts for each fiscal year audited, in accordance with sound auditing principles consistently applied, by independent auditors acceptable to BADEA, (iii) furnish to BADEA as soon as-available, but in any case not later than six months after the end of each such year, (A) certified copies of its financial statements for such year as so audited and (B) the report of such audit by said auditors, of such scope and in such detail as BADEA shall have reasonably requested and (iv) furnish to BADEA such other information concerning its accounts and financial statements and the audit thereof as BADEA shall from time to time reasonably request.

Section 4.02 The Borrower shall take out and maintain with reputable insurers, insurance against such risks related to the Project in such amount as shall be consistent with sound commercial practices.

Section 4.03 The Borrower undertakes to execute periodical maintenance to the buildings and equipment after the project completion.

Section 4.04 The Borrower undertakes to cause the Ministry (FPMU) to take the necessary precautionary measures pursuant to the provisions of related the internal environmental laws and regulations to secure a safe environment within the project area during and after the execution of the project.

Section 4.05
The Borrower shall make available sufficient numbers of teachers as may be required for the new schools

ARTICLE V
SUSPENSION AND ACCELERATION OF MATURITY

Section 5.01 For the purposes of Section (8.02) of the General Conditions the following additional events are specified pursuant to paragraph (i)-(g) thereof:

- (a) Subject to paragraph (b) of this section:-
 - (i) the right of the Borrower to withdraw the proceeds of any loan or grant made to the Borrower for financing the Project shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms of the agreement providing thereof, or
 - (ii) any such loan shall have become due and payable prior to the agreed maturity thereof.
- (b) Paragraph (a) of this Section shall not apply if the Borrower establishes to BADEA's satisfaction that (i) such suspension, cancellation, termination or prematuring is not caused by the failure of the Borrower to perform any of its obligations under such agreement, and (ii) adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

Section 5.02 For the purposes of Section (9.01) of the General Conditions, the following additional events are specified pursuant to paragraph (g) thereof; namely any event specified in paragraph (a) (ii) of Section (5.01) of this Agreement shall occur.

ARTICLE VI
EFFECTIVE DATE - TERMINATION

Section 6.01

This Loan Agreement shall come into force and effect on the date upon which BADEA dispatches by fax or e-mail to the Borrower notice of its' acceptance of the evidence required by section 12.01 of the General Conditions.

Section 6.02 No withdrawal from the loan account will take place unless evidence has been provided to BADEA that the PIU has been established in accordance with provisions of Section (3.03) of this Agreement.

Section 6.03 The date September 30th, 2018 is hereby specified for the purposes of Section (12.04) of the General Conditions.

ARTICLE VII
REPRESENTATIVES OF THE BORROWER - ADDRESSES

Section 7.01 The Minister of Finance is designated as Representative of the Borrower for the purposes of Section (11.03) of the General Conditions.

Section 7.02 The following addresses are specified for the purposes of Section (11.01) of the General Conditions:

For the Borrower:

The Ministry of Finance

P.O. Box M 40

Accra - The Republic of Ghana

Tel.: (233) 0302 665310 or (233) 0302 664709

Fax: (233) 0302 663854 or (233) 0302 667069

E-mail: chiefdirector@mofep.gov.gh / m_a.addo@yahoo.com

For BADEA:

The Arab Bank for Economic Development in Africa (BADEA)

P. O. BOX 2640, Khartoum 11111

Republic of Sudan

Tel.: (249-183) 773709 - 773646

Fax: (249-183) 770498 - 770600

E-mail: badea@badea.org

IN WITNESS whereof, the parties hereto acting through their Representatives thereto duly authorized, have caused this Agreement to be signed in their respective names in, as of the day and year first above written.

This Agreement is drawn in Arabic and English. The English text conforms to Arabic text. The Arabic and the English text are both authentic text. In the event of dispute or ambiguity the Arabic text shall prevail.

The Republic of Ghana

By _____

Authorized Representative

The Arab Bank for Economic
Development in Africa

By Dr. Sidi Ould TAH
Director General

ANNEX "I"
AMORTIZATION SCHEDULE
SUPPORT TO BASIC EDUCATION IN FIVE REGIONS PROJECT
- REPUBLIC OF GHANA -

<u>Installments</u>	<u>Payment of Principal</u> <u>(Expressed In U.S. \$)</u>
1.	313,000.00
2.	317,000.00
3.	320,000.00
4.	323,000.00
5.	326,000.00
6.	329,000.00
7.	333,000.00
8.	336,000.00
9.	339,000.00
10.	343,000.00
11.	346,000.00
12.	350,000.00
13.	353,000.00
14.	357,000.00
15.	360,000.00
16.	364,000.00
17.	367,000.00
18.	371,000.00
19.	375,000.00
20.	379,000.00
21.	382,000.00
22.	386,000.00
23.	390,000.00
24.	394,000.00
25.	398,000.00
26.	402,000.00
27.	406,000.00
28.	410,000.00
29.	414,000.00
30.	418,000.00
31.	422,000.00
32.	427,000.00
33.	431,000.00
34.	435,000.00
35.	440,000.00
36.	444,000.00

ANNEX "II"**PROJECT DESCRIPTION**

The proposed project aims to support and improve basic education to take its role in building the education sector in general in Ghana. The project will contribute to this by increasing 44 schools, helping to provide better opportunities for poor and rural communities to access education, increase the desire to learn, reduce stress on crowded classrooms, improve the quality of education, bridge the gender gap in access to education and reduce underdevelopment. The project will implement government programs to develop and expand basic education opportunities in the country.

The Project consists of the following main components:

A- The Civil Works and Ancillaries which includes:

- Construction of 44 schools,
- External works and electricity, water and sewage connections.

B- Schools Furniture & Equipment:

- Supply and installation of furniture, equipment, educational and office equipment.

C- Consultancy services, including:

- Preparation of detailed designs and tender documents, assisting the executing agency in issuing tenders, evaluating bids, awarding contracts and supervising the execution of works, including preparing the completion report of the project.

D- Support the project implementation unit, including:

- Top-up salaries to members of the Project Implementation Unit.
- Operational expenses of the Project Implementation unit.
- Supply of (3) pick-up vehicles, computers and accessories, printer, photocopier and scanner.

E-Project Launch Workshop, including:

- Organizing a workshop in Accra before the implementation of the project, supervised by experts from BADEA to introduce the procurement procedures of goods and services and withdrawal from the proceeds of the loan and follow up the project implementation.

F- Auditing Project Account:

- This will involve the annual audit of project accounts.

The execution of the Project is expected to commence in January, 2020 and be completed in December, 2022.

ANNEX "A"**GOODS AND SERVICES TO BE FINANCED AND
ALLOCATION OF PROCEEDS OF BADEA'S LOAN**

1. The following table shows the goods and services to be financed out of the proceeds of the loan amount allocated to each category:

Category	Amount Allocated (in US \$)	% of Total Cost to be financed
1- Civil Engineering Works and Ancillaries	10,320,000	100%
2- Schools Furniture	90,000	9%
3- Consultancy Service	980,000	100%
4- PIU Support	210,000	34.43%
5- Project Launch Workshop	50,000	100%
6- Auditing Project Account	50,000	100%
7- Unallocated	1,800,000	
Total	13,500,000	

2. Unless otherwise agreed by BADEA, the financed percentage of the above-mentioned categories shall not exceed the percentage shown opposite each of these categories.
3. BADEA may, by notice to the Borrower (i) reallocate any amount from category (7) [Unallocated] to any of the categories (1) to (6) to the extent that such amount is required to meet expenditures under such other category; and (ii) reallocate any amount from categories (1) to (6) to any of the other categories (1) to (6) to the extent that such amount is no longer required to meet expenditures under such category but is required to meet expenditures under that other category.

ANNEX "B"**PROCUREMENT OF GOODS AND SERVICES**

- A) Unless otherwise agreed by BADEA, the goods and services financed from the proceeds of the Loan will be procured as follows:
- The civil works and ancillaries: on the basis of a competitive bidding, restricted to Arab, African or Arab-African firms, according to the procedures of BADEA and in coordination with the Government,
 - Schools Furniture & Equipment: through local Competitive Bidding according to BADEA procedures and in coordination with the Government.
 - The Consultancy service: on the basis of a competitive bidding, restricted to Arab, African or Arab-African firms, according to the procedures of BADEA and in coordination with the Government.
 - Support to Project Implementation Unit: through local Competitive Bidding according to BADEA-procedures and in coordination with the Government.
 - Auditing Project Account: Through shortlist of local firms according to BADEA procedures and in coordination with the Government.
 - Project Launch Workshop: through local agencies according to BADEA procedures and in coordination with the Government.
- B) The Borrower shall submit for BADEA's prior approval all proposed contracts and orders for items to be procured out of the proceeds of the Loan.
- C) The Borrower shall furnish to BADEA copies of the bidding documents and shall make such modifications in the said documents as may be requested by BADEA. In all such cases bidders shall be pre-qualified and the Borrower shall supply BADEA with a list of those pre-qualified bidders for BADEA's review and approval. After receipt and evaluation of the bids, a detailed report on the evaluation and comparison of the bids received, together with the recommendation for award, will be presented to BADEA for approval.

In case of reply the number and date of this letter should be quoted.



OFFICE OF THE PRESIDENT
P.O. BOX 1627
ACCRA
TEL: 0302-201000/2

MINISTRY OF FINANCE
RECEIVED
27 AUG 2018

My Ref. No OPCA.3/3/060818/

Your Ref. No _____

REPUBLIC OF GHANA MULTILATERAL

CONFIDENTIAL

6th August, 2018

SUPPORT TO BASIC EDUCATION PROJECT IN FIVE REGIONS

Cabinet at its Thirty-eighth meeting held on Thursday, 2nd August, 2018 considered a report of the Cabinet Committee on **Economic Matters** on the above Memorandum jointly submitted by the Minister for Education and the Minister for Finance.

2. The Memorandum requested Cabinet to consider and approve a proposed Credit Facility of Thirteen million and five hundred thousand United States dollars (USD 13,500,000.00) from the Arab Bank for Economic Development in Africa (BADEA) to support the Basic Education Project in five (5) Regions in the country.

3. Cabinet approved the Memorandum and recommended same to Parliament for consideration.

4. I should be grateful if you could take requisite action on the decision by Cabinet.

MERCY DEBRAH-KARIKARI
SECRETARY TO THE CABINET

THE HON. MINISTER FOR EDUCATION

THE HON. MINISTER FOR FINANCE ✓

Handwritten notes:
Hans
cc: [unclear]
To: Mike / [unclear]

- cc: Chief of Staff
- Secretary to the President
- Secretary to the Vice President
- Chairperson, Cabinet Committee on Economic Matters
- The Hon. Minister for Parliamentary Affairs

Handwritten initials: MW