Negotiated DRAFT
(Subject to Board Approval)
Eric Bakilana
Date: 6th June 2019

AFRICAN DEVELOPMENT FUND

PROGRAMME ID: P- GH-DB0-018
LOAN No.: [•]

LOAN AGREEMENT

BETWEEN

REPUBLIC OF GHANA

AND

AFRICAN DEVELOPMENT FUND

(Eastern Corridor Road Development Programme (Phase 1))
LOAN AGREEMENT
EASTERN CORRIDOR ROAD DEVELOPMENT PROGRAMME (PHASE I)

PROGRAMME ID No.: P-GH-DB0-018
LOAN No.: [•]

This LOAN AGREEMENT, (the “Agreement”) is entered into this ______ day of _______ 20[•], between the Republic of Ghana (the “Borrower”) and the AFRICAN DEVELOPMENT FUND (the “Fund”).

WHEREAS:

(A) The Borrower has requested the Fund to provide a loan out of its resources, to assist in financing the Eastern Corridor Road Development Programme (Phase I) (the “Programme”) as further described in Schedule 1 (Programme Description) to this Agreement;

(B) The Ghana Highway Authority shall be the Executing Agency for the Programme;

(C) The Borrower has declared its commitment to the execution of the Programme; and

(D) The Fund has agreed on the basis, inter alia, of the foregoing to extend to the Borrower as a loan, the amount specified in Section 2.01 (Amount) of this Agreement on the terms and conditions set forth or referred to in this Agreement.

NOW THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I
GENERAL CONDITIONS - DEFINITIONS

Section 1.01. General Conditions. The General Conditions Applicable to the African Development Fund Loan Agreements and Guarantee Agreements (Sovereign Entities) dated February 2009, as amended from time to time, (the “General Conditions”) constitute an integral part of this Agreement.

Section 1.02. Definitions. Unless the context otherwise requires, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in Schedule IV (Definitions) to this Agreement.

Section 1.03. Schedules. The Schedules to this Agreement form an integral part of this Agreement and shall have effect as if set out in full in the body of this Agreement.
ARTICLE II
THE LOAN

Section 2.01. **Amount.** The Fund agrees to extend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, a loan of an amount in various convertible currencies other than the currency of the Borrower, not exceeding the equivalent of Fifty Eight Million Three Hundred Thousand Units of Account (UA 58,300,000) (the "Loan") to assist in the financing of the Programme.

Section 2.02. **Payment Dates.** The Payment Dates are 1st March and 1st September in each year.

Section 2.03. **Commitment Charge.** The Commitment Charge payable by the Borrower on the Undisbursed Loan Balance shall be at a rate equal to zero point five per cent (0.5%) per annum. The Commitment Charge shall begin to accrue one hundred and twenty (120) days after the Date of the Loan Agreement and shall be payable on a Payment Date.

Section 2.04. **Service Charge.** The Service Charge payable by the Borrower on the Disbursed Loan Balance shall be equal to zero point seventy-five per cent (0.75%) per annum. The Service Charge shall be payable on a Payment Date.

Section 2.05. **Interest.** Subject to Section 2.09 (Accelerated Repayment) of this Agreement, the Borrower shall pay interest (the "Interest") at a rate equal to one percent (1%) per annum on the Disbursed Loan Balance. Interest shall accrue from the date of first disbursement and shall be payable semi-annually in arrears on each Payment Date. Interest shall be calculated on a daily basis, and for this purpose each year shall be considered to be made up of three hundred sixty-five (365) calendar days.

Section 2.06. **Interest Period.** The interest period (the "Interest Period") shall be in relation to each disbursement, the six (6)-month period beginning on a Payment Date. The first Interest Period shall begin to run from the date of first disbursement of the Loan to the first Payment Date immediately following first disbursement. Each Interest Period thereafter shall begin to run from the date of expiry of the preceding Interest Period, even if the first day of this Interest Period is not a Business Day. Notwithstanding the foregoing, any period less than six (6) months running from the date of a disbursement to a Payment Date immediately following such disbursement shall be deemed an Interest Period.

Section 2.07. **Repayment of the Principal.**
(a) Subject to Section 2.09 (Accelerated Repayment) of this Agreement, the duration of the Loan shall be thirty (30) years including a grace period of five (5) years (the "Grace Period") commencing on the Date of the Loan Agreement. During the Grace Period, the Interest, the Service Charge and the Commitment Charge shall be payable.

(b) The Loan shall be amortized over a period of twenty-five (25) years after the expiration of the Grace Period, at the rate of four percent (4%) per annum, in equal and consecutive semi-annual instalments payable on a Payment Date. The first of such instalments shall be payable on the Payment Date immediately following the expiration of the Grace Period.

Section 2.08. Currency of Payment. All amounts due to the Fund under this Agreement shall be payable in the Disbursement Currency as provided in Section 3.03 (Disbursement Currency) of this Agreement or the Substitute Currency as applicable.

Section 2.09. Accelerated Repayment

(a) Notwithstanding the provisions of Section 2.07 (Repayment of the Principal) of this Agreement, the Fund may modify the repayment of instalments of the Disbursed Loan Balance in accordance with paragraphs (b) and (c) of this Section whenever all of the following events have occurred:

(i) the Borrower's per capita gross national income, as determined by the Fund, has exceeded for more than two (2) consecutive years, the level established by the Fund for determining eligibility to access the Fund's resources;

(ii) the Bank considers the Borrower creditworthy for borrowing from the Bank; and

(iii) after due consideration of the development of the Borrower's economy and other relevant factors, the Board of Directors of the Fund has reviewed and approved such modification.

(b) The Fund shall, upon the occurrence of the events referred to in Section 2.09 (a) (Accelerated Repayment) of this Agreement, notify the Borrower of the same and

(i) require the Borrower to repay twice the amount of each instalment of the Disbursed Loan Balance not yet due until the Loan has been fully repaid (the "Principal Option"); or

(ii) require the Borrower to increase the Interest applicable to the Disbursed Loan Balance to an annual rate agreed with the Fund that would, in the opinion of the
Fund, result in the same level of concessionality as the Principal Option (the "Interest Option"); or

(iii) if the agreed applicable Interest under the Interest Option would be more than the fixed rate for a Bank sovereign-guaranteed loan:

1. require the Borrower to repay an amount agreed with the Fund that is greater than the then applicable semi-annual instalment; and

2. increase the Interest applicable to the Loan to an annual rate agreed with the Fund that is equal to that of the fixed rate for a similar Bank sovereign-guaranteed loan (the "Combination Option").

(c) The Borrower shall, within two (2) months of receipt of the notice referred to in paragraph (b) of this Section, notify the Fund whether it elects the Principal Option, the Interest Option or, if applicable, the Combination Option. In the event that the Borrower does not respond within the two (2) month period, the Fund shall automatically apply the Principal Option.

(d) The Borrower shall commence such modified repayment as of the first semi-annual Payment Date, falling not less than six (6) months after the date on which the Fund notifies the Borrower that the events specified in paragraph (a) of this Section have occurred; provided, however, that in no event shall the Borrower be required to commence such modified repayment prior to the expiration of the Grace Period.

(e) If, at any time after the repayment terms have been modified pursuant to paragraph (a) of this Section, the Fund determines that the Borrower's economic condition has deteriorated significantly, the Fund may, if so requested by the Borrower, further revise the terms of repayment of the Disbursed Loan Balance and/or the Interest to conform to the repayment terms originally provided for in this Agreement, taking into account any repayments already made by the Borrower.

Section 2.10. Prepayment: In the event that the Borrower graduates from being eligible to borrow only from the Fund, the Borrower may, but shall not be obligated to, repay in advance of maturity, the Disbursed Loan Balance in one (1) lump sum on a date agreed upon between the parties. The Fund may, in its sole discretion, provide a discount on the Disbursed Loan Balance to be prepaid. The amount to be prepaid shall be applied in the following order: Commitment Charge, Service Charge, other charges, Interest and principal.

ARTICLE III
ENTRY INTO FORCE AND DISBURSEMENT

Section 3.01. **Entry into Force.** The Loan Agreement shall enter into force upon fulfillment by the Borrower of the provisions of Section 12.01 (Entry into Force) of the General Conditions.

Section 3.02. **Disbursement.** The proceeds of the Loan shall be disbursed by the Fund, subject to the provisions of (a) Article V (Disbursement of the Loan) of the General Conditions; (b) the Disbursement Handbook; (c) the Disbursement Letter; (d) Article III (Entry into Force and Disbursement) of this Agreement; and (e) such additional instructions as the Fund may specify by notice to the Borrower, to finance Eligible Expenditures as set forth in Schedule II (Allocation of the Loan) to this Agreement.

Section 3.03. **Disbursement Currency.** The Disbursement Currency is United States Dollar.

Section 3.04. **Conditions Precedent to First Disbursement.** In addition to the provisions of Section 3.01 (Entry into Force), the obligations of the Fund to make the first disbursement of the Loan shall be subject to the satisfaction of the following conditions by the Borrower:

(a) the execution and delivery of a Co-financing Agreement on terms and conditions acceptable to the Fund or the submission of evidence that the Borrower has secured financing from alternative sources to cover the financing gap resulting from failure to obtain the Co-financing; and

(b) the submission of evidence of the deposit by the Borrower of its counterpart contribution to the Programme in the amount equivalent to Six Million Six Hundred Thousand United States Dollars (US$ 6,600,000) in an account at a bank acceptable to the Fund.

Section 3.05. **Conditions Precedent to Disbursements for Works Involving Resettlement.** Subject to the provisions of Section 3.01 (Entry into Force) and Section 3.04 (Conditions Precedent to First Disbursement), the obligation of the Fund to disburse the Loan for works that involve resettlement shall be subject to the fulfillment by the Borrower of the following additional conditions:

(a) Submission of a works and compensation schedule prepared in accordance with the Resettlement Action Plan ("RAP") and the Fund's Safeguards Policies, in form and substance satisfactory to the Fund detailing: (i) each section of civil works under the Programme, and (ii) the time frame for compensation and/or resettlement of all Project affected persons ("PAPs") in respect of each lot;

(b) Submission of satisfactory evidence that all Project affected persons ("PAPs") in respect of works have been compensated and/or resettled in accordance with the Environmental
and Social Management Plan ("ESMP"), the Resettlement Action Plan ("RAP") and/or the agreed works and compensation schedule and the Fund's Safeguards Policies, prior to the commencement of such works and in any case before the PAPs' actual move and/or taking of land and related assets; or

(c) In lieu of paragraph (b) above, submission of satisfactory evidence indicating that the resources allocated for the compensation and/or resettlement of PAPs have been deposited in a dedicated account in a bank acceptable to the Fund, where the Borrower can prove, to the satisfaction of the Fund that, compensation and/or resettlement of PAPs in accordance with paragraph (b) above could not be undertaken fully or partially, because of the following reasons:

(i) the identification of the PAPs by Borrower is not feasible or possible;

(ii) ongoing litigation involving the PAPs and/or affecting the compensation and/or resettlement exercise; or

(iii) any other reason beyond the control of the Borrower, as discussed and agreed with the Fund.

Section 3.06. Closing Date. For purposes of Section 6.03 (Cancellation by the Fund) of the General Conditions, the Closing Date shall be 31 December 2024, or such later date as shall be agreed upon in writing between the Borrower and the Fund.

ARTICLE IV
UNDERTAKINGS

Section 4.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project, and shall cause the Executing Agency and, its contractors and/or agents to carry out the Project, in accordance with the provisions of Article IX (Project Implementation - Cooperation and Information) of the General Conditions and this Agreement.

Section 4.02 Institutional Arrangements.

(a) The Borrower shall, and shall cause the Executing Agency to maintain at all times during implementation of the Programme a Project Coordination Unit (PCU) with the mandate, staffing and resources satisfactory to the Fund. The PCU shall comprise experienced and dedicated staff from the Executing Agency with focal persons from the relevant Ministries, including among others: (i) a project coordinator; (ii)
procurement and contracts officers; and technical officers including a project coordinator, a quantity surveyor, an environmentalist, a road safety expert, a project accountant, and an internal auditor.

(b) The PCU shall be responsible for, inter alia, the following:

(i) the day-to-day management of the Programme;
(ii) the supervision and monitoring of consultants and contractors performance;
(iii) the execution of Programme procurement, financial management, and monitoring and evaluation of environmental and social compliance and performance; and
(iv) preparation and submission of all reports including Programme Reports, unaudited quarterly financial reports, and annual reports to the Fund;

(c) The Borrower shall establish a Project Steering Committee (PSC) to oversee the activities of the Programme and provide strategic guidance and direction. The PSC shall comprise representatives from the main agencies concerned with the Programme including among others: (i) the Ministry of Roads and Highways; (ii) the Executing Agency; and (iii) the Ministry of Finance.

Section 4.03. Environmental and Social Safeguards.

(a) The Borrower shall, and shall cause the Executing Agency, all its contractors, subcontractors and agents to:

(i) carry out the Project in accordance with the ESMP, the RAP and/or the agreed works and compensation schedule, the Fund’s Safeguards Policies and the applicable national legislation in a manner and in substance satisfactory to the Fund;

(ii) prepare and submit to the Fund, as part of the Project Report in Section 7.01 (Project Report), quarterly reports on the implementation of the ESMP and the RAP including any deficiencies identified and the corrective measures thereto; and

(iii) refrain from taking any action which would prevent or interfere with the implementation of the ESMP, the RAP, including any amendment, suspension, waiver, and/or voidance of any provision thereof, whether in whole or in part, without the prior written concurrence of the Fund.

(b) The Borrower shall not, and shall cause the Executing Agency, all its contractors its subcontractors, and agents not to commence implementation of any works on any section of a given lot under the Project, unless all PAPs in such lot have been compensated and/or resettled in accordance with the RAP and/or the agreed works and compensation schedule.
Section 4.04. **Other Conditions.**

(a) Not later than six (6) months after entry into force of this Agreement, evidence of development of a project implementation manual (PIM) to guide technical implementation of the Programme.

(b) The Borrower shall take all appropriate measures and actions necessary to ensure that the Environmental Protection Agency (EPA) carries out the monitoring of the construction activities to ensure that the environmental mitigation measures for the Programme are properly applied.

Section 4.05 **Integrity.** The Borrower shall, and shall cause the Executing Agency, and any of its contractors or agents to, carry out the Project in accordance with the provisions of the Anti-Corruption Policies.

**ARTICLE V**

**ADDITIONAL REMEDIES OF THE FUND**

Section 5.01. **Other Events of Suspension.** For the purpose of Section 6.02 (1) (k) (Other Events of Suspension) of the General Conditions, the other events of suspension of the Loan consist of the following:

(a) The Executing Agency's legislation has been amended, suspended, repealed or waived or in the opinion of the Fund, the legal character, ownership or control of the Executing Agency has changed from that prevailing as of the Date of the Loan Agreement, so as to materially and adversely affect the ability of the Executing Agency to perform any of its obligations arising under or entered into pursuant to the Loan Agreement, or to achieve the objectives of the Project;

(b) Any action has been taken for the dissolution, disestablishment or suspension of operations of the Executing Agency;

(c) The Executing Agency has failed to perform any of its obligation under the Subsidiary Agreement; or

(d) Any circumstance arising which in the opinion of the Fund interferes with or threatens to interfere with the successful completion of the Project or the accomplishment of its purposes.
Section 5.02. **Other Events of Cancellation.** In addition, to the events in Section 6.03 (Cancellation by the Fund) of the General Conditions, the other events of cancellation of the Loan consist of the following:

(a) Any event specified in Section 5.01 (Other Events of Suspension) of this Agreement which has occurred and is continuing for a period of thirty (30) days after notice of the event has been given by the Fund to the Borrower or such later date as shall be agreed upon in writing between the Borrower and the Fund.

Section 5.03. **Other Events of Acceleration.** In addition to events in Section 7.01 (Events of Acceleration) of the General Conditions, the other events of acceleration of the Loan consists of the following:

(a) Any event specified in Section 5.01 (Other Events of Suspension) of this Agreement which has occurred and is continuing for a period of thirty (30) days after notice of the event has been given by the Fund to the Borrower or such later date as shall be agreed upon in writing between the Borrower and the Fund.

**ARTICLE VI**

**PROCUREMENT**

Section 6.01. **Procurement.** All Goods, Works, Non-consulting Services and Consulting Services required for the Programme and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of the Procurement Framework and the Borrower’s Procurement Plan for the Project set forth in Schedule III (Procurement Plan) of this Agreement which may be amended from time to time in accordance with Section 6.03 (Procurement Plan) of this Agreement.

Section 6.02 **Definitions.** Unless the context otherwise requires, the capitalized terms used in this Article VI (Procurement) including those describing particular procurement methods or methods of review by the Fund of particular contracts, have the meanings ascribed to them in the Procurement Framework.

Section 6.03. **Procurement Plan.** Before the Date of the Loan Agreement, the Borrower shall submit to the Fund for its approval, a Procurement Plan in form and substance satisfactory to the Fund, covering at least the first eighteen (18) months of the Project implementation period. The Borrower shall update the Procurement Plan on an annual basis or as needed, and each such update shall, to the extent practicable, cover a period of at least eighteen (18) months of the Project
implementation period. Any revisions or updates to the Procurement Plan shall be made in writing with the Fund’s prior approval.

Section 6.04. Use of the Borrower’s Procurement System.

(a) **Eligibility.** The proceeds of the Loan shall be used for the procurement of Goods, Works, Non-Consulting Services and Consulting Services satisfying the applicable country of origin requirements prescribed in the Public Procurement Act, 2003 (Act 663), as amended by the Public Procurement (Amendment) Act, 2016 (Act 914) (the “Borrower’s Procurement System”), except that, the proceeds of the loan shall not be used for the procurement of:

(i) firms from a country or goods manufactured in a country excluded in compliance with the decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and/or

(ii) firms sanctioned by the Bank in accordance with the Anti-Corruption Policies.

(b) **Methods.** The procurement will be undertaken in accordance with the Borrower’s Procurement System using the relevant National Standard Bidding Documents or National Model Bidding Documents and the methods prescribed in the Procurement Plan.

(c) **Remedial Actions required for the use of the Borrower’s Procurement System.** The Borrower undertakes to execute the following remedial actions concerning the use of the Borrower’s Procurement System during the implementation of the Project:

(i) The Borrower shall inform the Fund on a quarterly basis all complaints received and the manner in which they have been handled;

(ii) The Borrower shall provide to the Bank on a quarterly basis a list of contract awards using the Borrower’s Procurement System, based on a format that will be agreed by the Parties, for publication on the Fund’s website;

(iii) The format of the quarterly report generally used will be adjusted to insert a specific section to be deal with procurement as well as a table that would inform the Fund on issues including inter alia: awarded contract, shareholders of award company, complaint received and the manner in which they have been handled; and

(iv) All award decisions that lead to contract cost exceeding twenty percent (20%) of the estimation provided in the Procurement Plan approved by the Fund, shall be
submitted to the Fund for its prior endorsement together with appropriate justifications for the change.

(d) **Reservation of Rights by the Fund.** The Fund reserves the right to, in its sole discretion, require the use of the Fund’s Procurement Methods and Procedures in the event that:

(i) a revision introduced in the Borrower’s Procurement System adversely and substantially impacts the execution of procurement activities under the Project;

(ii) the remedial actions required in Section 6.04(c) above are not implemented as required; or

(iii) any audit finds, deficiencies and inadequacies in the Borrower’s Procurement System; or

(iv) complaints are not properly addressed under the Borrower’s complaints handling procedures and mechanisms, which no longer provide a credible recourse as well as an impartial and equitable dispute resolution mechanism; or

(v) any other event or circumstances occur which, in the reasonable opinion of the Fund, may require the use of the Fund’s Procurement Methods and Procedures.

(e) **Procurement Oversight.**

(i) The Borrower shall cause the Public Procurement Oversight Body (PPOB) and the Supreme Audit Institutions (SAI) to carry out a procurement audit in accordance with the Borrower’s Procurement System on an annual basis. The annual procurement audit report shall be submitted to the Fund no later than six (6) months after the end of each calendar year.

(ii) The Fund may, in its sole discretion, require independent procurement audits or inspections to be undertaken by independent auditors appointed by the Fund. The costs of such independent audits or inspections shall be borne by the Fund.

Section 6.05. **Use of the Fund’s Procurement Methods and Procedures (PMPs)**

(a) **Methods.** The procurement will be undertaken in accordance with the Fund’s PMPs using the relevant Standard Solicitation Documents and the methods prescribed in the Procurement Plan.

(b) **Procurement Oversight.**

-12-
(i) Except as the Fund shall otherwise determine by notice to the Borrower, each contract for goods, works and non-consulting services procured on the basis of Open Competitive Bidding (International) shall be subject to Prior Review by the Fund.

(ii) Except as indicated in paragraph (i) above, the Procurement Plan shall set forth those contracts which shall be subject to the Fund’s Prior Review. All other contracts shall be subject to Post Review by the Fund.

(iii) In accordance with Section 9.02 (c) (Cooperation and Information) of the General Conditions, the Fund may, upon reasonable notice to the Borrower, conduct supervision missions, independent procurement reviews and inspection concerning the procurement undertaken using the proceeds of the Loan.

Section 6.06. Use of Third Party Procurement Methods and Procedures

Each contract for Goods, Civil Works, Non-consulting Services and Consulting Services required for Component 3 of the Programme shall be procured in accordance with the United Nations Fiduciary Principles Agreement between the Fund and the Bank and the United Nations Office for Project Services (UNOPS) dated 21st August 2017 as amended from time to time including its eligibility rules, procurement methods, procurement oversight procedures and its integrity and anti-corruption provisions.

Section 6.07. Reports and Retention of Documents.

(a) The Borrower shall and shall cause the Executing Agency to maintain and record all relevant information concerning the procurement activities undertaken for the Programme and shall include said information in each Programme Report to be submitted to the Fund on a quarterly basis in accordance with the provisions of Section 7.01 (Programme Report) of this Agreement.

(b) The Borrower shall and shall cause the Executing Agency to retain copies of all contracts, invoices, bidding documents and evaluation reports for periodic review and inspection by the Fund in accordance with Section 9.09 (c) (Accounts, Records and Audit) of the General Conditions.
ARTICLE VII
PROGRAMME REPORTING

Section 7.01. **Programme Report.** The Borrower shall, and shall cause the Executing Agency to, monitor the progress of the Programme and prepare Programme Reports in accordance with the provisions of Section 9.09 (Accounts, Records and Audit) of the General Conditions and on the basis of indicators acceptable to the Fund. Each Programme Report shall cover a period of one (1) calendar quarter and shall be furnished to the Fund no later than forty-five (45) days after the end of the period covered by such report.

Section 7.02 **Project Completion Report.** The Borrower shall prepare and submit to the Fund a Project Completion Report, pursuant to Section 9.10 (Completion Report) of the General Conditions, no later than six (6) months after the end of the Programme.

ARTICLE VIII
FINANCIAL MANAGEMENT

Section 8.01. **Internal Control.** The Borrower shall, and shall cause the Executing Agency to, maintain or cause to be maintained proper records and procedures in accordance with the provisions of Section 9.09 (Accounts, Records and Audit) of the General Conditions.

Section 8.02. **Interim Financial Reporting.** Without limitations to the provisions of Article VIII (Financial Management), the Borrower shall and shall cause the Executing Agency to prepare and furnish to the Fund quarterly financial reports for the Programme no later than forty-five (45) days after the end of the respective quarter in form and substance satisfactory to the Fund.

Section 8.03. **Financial Audit.**

(a) The Borrower shall, and shall cause the Executing Agency to, have its financial statements for the Programme audited and certified in accordance with terms of reference acceptable to the Fund by the Auditor General of Ghana or a competitively recruited independent auditor appointed by the Borrower with the approval of the Fund.

(b) Each audit of the financial statements shall cover a period of one (1) financial year except (i) the first audit, which may cover a period not exceeding eighteen (18) months after the date of first disbursement of the Loan, if such first disbursement occurs in the second half of the applicable financial year; and (ii) the final audit, which may cover a period not exceeding eighteen (18) months, if the Closing Date occurs within the first half of the applicable financial year.
(c) The audited reports shall comprise inter alia (i) a complete set of financial statements of the applicable financial year, with the auditor's opinion on said financial statements, and (ii) the management letter, and shall be furnished to the Fund no later than six (6) months after the end of the applicable financial year. The last annual audit report at the end of the Programme shall be submitted to the Fund no later than six (6) months after the Closing Date.

(d) The cost of the external audit will be borne out of the proceeds of the Loan.
ARTICLE IX

AUTHORIZED REPRESENTATIVES, DATE, AND ADDRESSES

Section 9.01. Authorized Representatives. The Minister for Finance or such other person as the Minister for Finance may designate in writing shall be the authorized representative for the purposes of Article XI (Miscellaneous Provisions) of the General Conditions.

Section 9.02. Date of the Loan Agreement. For all purposes of this Agreement, the date thereof shall be that appearing in the preamble hereof.

Section 9.03. Addresses. The following addresses are specified for the purposes of Article XI (Miscellaneous Provisions) of the General Conditions.

For the Borrower:  

Mail Address:  

Ministry of Finance  
Finance Drive, Accra  
P. O. Box MB 40  
Accra  
REPUBLIC OF GHANA  
GA-144-2024  
Tel: (233) 302 665 587  
Attention: The Minister for Finance

For the Fund:  

Headquarters Address:  

African Development Fund  
01 B.P. 1387  
Abidjan 01  
COTE D’IVOIRE  
Attention: Director, Infrastructure and Urban Development Department, (PICU0)

Ghana Country Office Mailing Address  

African Development Bank Group  
Tafawa Balewa Street, North Ridge  
PMB MB 59 Ministries,  
Accra  
REPUBLIC OF GHANA  
Tel: (233) 302 66 28 18/(233) 302 66 28 35  
Fax: (233) 302 66 28 55  
Attention: Country Manager

-16-
IN WITNESS WHEREOF the Borrower and the Fund, each acting through its authorized representative, have signed this Agreement in two (2) original counterparts in English on the date appearing in the opening sentence of this Agreement.

FOR REPUBLIC OF GHANA

KEN OFORI-ATTA
MINISTER FOR FINANCE

FOR AFRICAN DEVELOPMENT FUND

YERO BALDEH
COUNTRY MANAGER

ATTESTED BY: ___________________________
VINCENT O. NMEHIHELLE
SECRETARY GENERAL

-17-
SCHEDULE I
PROGRAMME DESCRIPTION

The primary objective of the Programme (Phase 1) is to contribute towards an efficient transportation system that promotes Ghana’s ports and corridors to enhance inclusiveness, stimulate socio-economic development, and facilitate domestic and regional trade and integration. The specific objective of the Programme is to: (i) provide journey time reliability along the Eastern Corridor; (ii) reduce road accidents; (iii) improve social service delivery; and (iv) increase value addition for agricultural products and exports.

The Programme constitutes the first (1st) phase of the Project, and consists of the following parts:

Component 1: Roads Construction Works:
This component covers the main civil works contracts incorporating: (i) construction of two (2) road sections namely (a) Section 3 Dufor Addidome–Asikuma Junction (about 39.2km) and (b) Section 4 Asutuare–Aveyime (about 23.9km) including interchanges at Dufor Addidome and Asikuma Junction; and (ii) implementation and monitoring of the ESIA and RAP.

Component 2: Consultancy Services:
This component consists of consultancy services contracts supporting project implementation and monitoring including: (i) design review and supervision of civil works; (ii) monitoring and evaluation of Programme’s impact; (iii) audits on road safety, technical, procurement; and financial; (iv) sensitisation covering campaigns on road safety, gender and women’s rights, HIV AIDS, and STDs; (v) studies for future road projects, establishment of Agro-industrial parks along the Eastern Corridor, and water and sanitation system for the communities within the Programme area.

Component 3: Project Management & Institutional Support:
This component focuses on supporting and enhancing performance of the Executing Agency, Project Coordination Unit (PCU) and AfDB Desk Office. Interventions will include: (i) technical assistance support in financial management, project management, social safeguards, contracts and records keeping; (ii) training in specialized fields; (iii) provision of logistics and equipment; and (iv) general operations and coordination.

Component 4: Community Support:
This component addresses the immediate needs of the communities located along the Programme corridor. The activities under this component include: (i) skills development including training to youth and women in the community to enhance their employability and entrepreneurship, and training to construction workers to provide services to the contractor and
other contractors in the construction industry; (ii) support for establishment of district and
community level agro-processing facilities for livestock and fish processing and cassava,
cereals and fruits processing (with Ministry of Trade and Industry’s guidance); and (iii) social
infrastructure development involving rehabilitation and improvements to existing facilities
including: (a) about fifteen (15) Basic Schools; (b) about six (6) Health Posts; and (c)
construction of about two (2) markets and about two (2) multi-functional centers.

Component 5: Trade and Regional Integration:

This component involves soft interventions to maximize the efficiency of the corridor towards
facilitating trade and enhancing regional integration. It is made up of three (3) sub-components
as follows: (i) customs related activities which include training customs officials on transit
procedures and regulations, transit process flow, and monitoring of transit traffic along the
corridor; (ii) inter-agency co-ordination through a study on business process mapping and re-
engineering of agencies operating at Tema port, and establishment of an inter-agency
coordination platform to address bottlenecks along the trade corridor; and (iii) corridor
coordination activities including facilitating the establishment of corridor coordinating
institutions and negotiation of corridor memorandum of understanding with Burkina Faso and
Mali for smooth traffic, and harmonization of policies, laws and regulations along the corridor.
SCHEDULE II
ALLOCATION OF THE LOAN

The table below indicates the categories of Eligible Expenditures to be financed out of the proceeds of the Loan and the amount allocated to each category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Expenditure In UA (Millions)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local Currency</td>
<td>Foreign Currency</td>
<td>Total</td>
</tr>
<tr>
<td>Goods</td>
<td>40</td>
<td>400</td>
<td>440</td>
</tr>
<tr>
<td>Services</td>
<td>430</td>
<td>6,760</td>
<td>7,190</td>
</tr>
<tr>
<td>Works</td>
<td>6,350</td>
<td>42,840</td>
<td>49,190</td>
</tr>
<tr>
<td>Operating Cost</td>
<td>30</td>
<td>220</td>
<td>220</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td>1,230</td>
<td>1,230</td>
</tr>
<tr>
<td>Total cost</td>
<td>6,850</td>
<td>51,450</td>
<td>58,300</td>
</tr>
</tbody>
</table>
## SCHEDULE III – PROCUREMENT PLAN

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Package Description</th>
<th>Category</th>
<th>Lot No.</th>
<th>Lot Description</th>
<th>Estimated Cost UA (Millions)</th>
<th>Procurement Method</th>
<th>Pre-or Post-Qualification</th>
<th>Procurement Oversight</th>
<th>Planned SPN Publication Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPM</td>
<td>Construction Road Sections 3 &amp; 4 + 2 grade separate interchanges + roadside market</td>
<td>Works</td>
<td>TBD</td>
<td>Construction Road Sections 3 &amp; 4 + 2 grade separate interchanges + roadside market</td>
<td>58.54</td>
<td>OCB</td>
<td>Post</td>
<td>Prior Review</td>
<td>December, 2020</td>
</tr>
<tr>
<td>BPM</td>
<td>Construction of Agro Industries (1 No. Meat and Fish Processing and Marketing Centre and 2 No. Multipurpose Agro-Processing Platform)</td>
<td>Works</td>
<td>TBD</td>
<td>Construction of Agro Industries (1 No. Meat and Fish Processing and Marketing Centre and 2 No. Multipurpose Agro-Processing Platform)</td>
<td>0.86</td>
<td>NCB</td>
<td>Post</td>
<td>N/A</td>
<td>December, 2020</td>
</tr>
<tr>
<td>BPS</td>
<td>Rehabilitation of existing basic schools + ICT Centres (15 Nos.)</td>
<td>Works</td>
<td>TBD</td>
<td>Rehabilitation of existing basic schools + ICT Centres (15 Nos.)</td>
<td>2.14</td>
<td>NCB</td>
<td>Post</td>
<td>N/A</td>
<td>December, 2020</td>
</tr>
<tr>
<td>BPS</td>
<td>Rehabilitation and equipping of 6 Nos. Health Facilities</td>
<td>Works</td>
<td>TBD</td>
<td>Rehabilitation and equipping of 6 Nos. Health Facilities</td>
<td>0.86</td>
<td>NCB</td>
<td>Post</td>
<td>N/A</td>
<td>December, 2020</td>
</tr>
<tr>
<td>BPS</td>
<td>Construction of 3 Nos. Markets + water supply + toilets</td>
<td>Works</td>
<td>TBD</td>
<td>Construction of 3 Nos. Markets + water supply + toilets</td>
<td>1.07</td>
<td>NCB</td>
<td>Post</td>
<td>N/A</td>
<td>December, 2020</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>63.47</strong></td>
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</table>

### INOPS PMP

<table>
<thead>
<tr>
<th>Category</th>
<th>Procurement of Logistics (Vehicles) for the PCU &amp; ADB Desk</th>
<th>Goods</th>
<th>TBD</th>
<th>Procurement of Logistics (Vehicles) for the PCU &amp; ADB Desk</th>
<th>0.37</th>
<th>UNOPS PMP</th>
<th>N/A</th>
<th>N/A</th>
<th>January, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPS</td>
<td>Procurement of Office Equipment and Stationery for PCU</td>
<td>Goods</td>
<td>TBD</td>
<td>Procurement of Office Equipment and Stationery for PCU</td>
<td>0.07</td>
<td>NCB</td>
<td>Post</td>
<td>Post Review</td>
<td>January, 2020</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>0.44</strong></td>
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</table>

### BPM

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Consultancy Services for the Design Review and Project Supervision Consultancy Service</th>
<th>Services</th>
<th>N/A</th>
<th>Consultancy Services for the Design Review and Project Supervision Consultancy Service</th>
<th>2.86</th>
<th>QCBS</th>
<th>N/A</th>
<th>Prior Review</th>
<th>January, 2020</th>
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</thead>
<tbody>
<tr>
<td>BPM</td>
<td>Consultancy Services for the Monitoring &amp; Evaluation of the Project's</td>
<td>Services</td>
<td>N/A</td>
<td>Consultancy Services for the Monitoring &amp; Evaluation of the Project's</td>
<td>0.36</td>
<td>QCBS</td>
<td>N/A</td>
<td>Prior Review</td>
<td>January, 2020</td>
</tr>
<tr>
<td>Vendor</td>
<td>Reference</td>
<td>Description</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>BPM</td>
<td>EC009</td>
<td>Consultancy Services for Sensitisation &amp; Campaigns (Road Safety, HIV AIDS, STDs, etc.)</td>
<td>Services</td>
<td>N/A</td>
<td>Consultancy Services for Sensitisation &amp; Campaigns (Road Safety, HIV AIDS, STDs, etc.)</td>
<td>0.17</td>
<td>QCBS</td>
<td>N/A</td>
<td>Prior Review</td>
</tr>
<tr>
<td>BPM</td>
<td>EC010</td>
<td>Consultancy Services for Project Technical Audit</td>
<td>Services</td>
<td>N/A</td>
<td>Consultancy Services for Project Technical Audit</td>
<td>0.21</td>
<td>QCBS</td>
<td>N/A</td>
<td>Prior Review</td>
</tr>
<tr>
<td>BPM</td>
<td>EC011</td>
<td>Consultancy Services for 4 Nos. Road Project Studies</td>
<td>Services</td>
<td>N/A</td>
<td>Consultancy Services for 3 Nos. Road Project Studies</td>
<td>1.07</td>
<td>QCBS</td>
<td>N/A</td>
<td>Prior Review</td>
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<tr>
<td>BPM</td>
<td>EC012</td>
<td>Consultancy Services for the Establishment of Agro-industrial Parks along the Eastern Corridor (Staple Commodity Processing Zones)</td>
<td>Services</td>
<td>N/A</td>
<td>Consultancy Services for the Establishment of Agro-industrial Parks along the Eastern Corridor (Staple Commodity Processing Zones)</td>
<td>0.36</td>
<td>QCBS</td>
<td>N/A</td>
<td>Prior Review</td>
</tr>
<tr>
<td>BPM</td>
<td>EC013</td>
<td>Consultancy Services for Feasibility Studies and detailed Design for Water and Sanitation system within the Project Area</td>
<td>Services</td>
<td>N/A</td>
<td>Consultancy Services for Feasibility Studies and detailed Design for Water and Sanitation system within the Project Area</td>
<td>0.36</td>
<td>QCRS</td>
<td>N/A</td>
<td>Prior Review</td>
</tr>
<tr>
<td>BPM</td>
<td>EC014</td>
<td>Consultancy Services for Project Management Technical Assistance</td>
<td>Services</td>
<td>N/A</td>
<td>Consultancy Services for Project Management Technical Assistance</td>
<td>0.18</td>
<td>QCBS</td>
<td>N/A</td>
<td>Prior Review</td>
</tr>
<tr>
<td>BPM</td>
<td>EC015</td>
<td>TVET and Skills Development including Youth Artisanal and Auto related skills trainings and Entrepreneurship and vocational trainings</td>
<td>Services</td>
<td>N/A</td>
<td>TVET and Skills Development including Youth Artisanal and Auto related skills trainings and Entrepreneurship and vocational trainings</td>
<td>0.36</td>
<td>QCBS</td>
<td>N/A</td>
<td>Prior Review</td>
</tr>
<tr>
<td>BPM</td>
<td>EC016</td>
<td>Consultancy Services for Project Documentary Services</td>
<td>Services</td>
<td>N/A</td>
<td>Consultancy Services for Project Documentary Services</td>
<td>0.04</td>
<td>LCS</td>
<td>N/A</td>
<td>Prior Review</td>
</tr>
<tr>
<td>BPM</td>
<td>EC017</td>
<td>Consultancy Services for Annual Project Financial Audit</td>
<td>Services</td>
<td>N/A</td>
<td>Consultancy Services for Annual Project Financial Audit</td>
<td>0.06</td>
<td>LCS</td>
<td>N/A</td>
<td>Prior Review</td>
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<tr>
<td>BPM</td>
<td>EC018</td>
<td>Consultancy Services for Road Safety Audit</td>
<td>Services</td>
<td>N/A</td>
<td>Consultancy Services for Road Safety Audit</td>
<td>0.05</td>
<td>ICS</td>
<td>N/A</td>
<td>Prior Review</td>
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<tr>
<td>BPM</td>
<td>EC019</td>
<td>Consultancy Services for Project Procurement Audit</td>
<td>Services</td>
<td>N/A</td>
<td>Consultancy Services for Project Procurement Audit</td>
<td>0.04</td>
<td>QCBS</td>
<td>N/A</td>
<td>Prior Review</td>
</tr>
<tr>
<td>BPM</td>
<td>EC020</td>
<td>Consultancy Services for Project Financial Management Support</td>
<td>Services</td>
<td>N/A</td>
<td>Consultancy Services for Project Financial Management Support</td>
<td>0.04</td>
<td>ICS</td>
<td>N/A</td>
<td>Prior Review</td>
</tr>
<tr>
<td>BPM</td>
<td>EC021</td>
<td>Consultancy Services for Social Safeguards Expert Technical Assistance</td>
<td>Services</td>
<td>N/A</td>
<td>Consultancy Services for Social Safeguards Expert Technical Assistance</td>
<td>0.09</td>
<td>ICS</td>
<td>N/A</td>
<td>Prior Review</td>
</tr>
<tr>
<td>BPM</td>
<td>EC022</td>
<td>Consultancy Services for Contracts and Records Keeping Technical Assistance</td>
<td>Services</td>
<td>N/A</td>
<td>Consultancy Services for Contracts and Records Keeping Technical Assistance</td>
<td>0.03</td>
<td>ICS</td>
<td>N/A</td>
<td>Prior Review</td>
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<tr>
<td>BPM</td>
<td>EC023</td>
<td>Training and Capacity Building programs for selected staff of GHA (PCU) and MRH</td>
<td>Services</td>
<td>N/A</td>
<td>Training and Capacity Building programs for selected staff of GHA (PCU) and MRH</td>
<td>0.18</td>
<td>ICS</td>
<td>N/A</td>
<td>Prior Review</td>
</tr>
<tr>
<td>BPM</td>
<td>EC024</td>
<td>ESW for transport sector working group coordination and conference</td>
<td>Services</td>
<td>N/A</td>
<td>ESW for transport sector working group coordination and conference</td>
<td>0.14</td>
<td>ICS</td>
<td>N/A</td>
<td>Prior Review</td>
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<tr>
<td>BPM</td>
<td>EC025</td>
<td>Support to AfDB Desk at Ministry of Finance</td>
<td>Services</td>
<td>N/A</td>
<td>Support to AfDB Desk at Ministry of Finance</td>
<td>0.09</td>
<td>ICS</td>
<td>N/A</td>
<td>Prior Review</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6.69</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>70.60</td>
<td></td>
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</table>
SCHEDULE IV
DEFINITIONS


3. "Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Abidjan for such transaction(s) under this Agreement.


5. "Co-financing" means, for purposes of Section 2.01 (Definitions) of the General Conditions, an amount of Twenty Million United States Dollars (USD 20,000,000), to be provided by the Co-financier to assist in financing the Programme.

6. "Co-financing Agreement" means the agreement to be entered into between the Borrower and the Co-financier providing for the Co-financing.

7. "Completion Report" means a comprehensive report on the execution and the initial operation of the Project, including the costs and benefits derived and to be derived therefrom, the performance by the parties' respective obligations under the Agreement, the accomplishment of the purposes of the Loan and the plan designed to ensure the sustainability of the Project achievements, amongst others, to be prepared and submitted by the Borrower to the Fund in accordance with the terms of this Agreement.

8. "Cross-Debarment Agreement" means the Agreement for Mutual Enforcement of Debarment Decisions dated 9 April 2010 and entered into, amongst the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank Group and the World Bank Group as the same may be amended from time to time.

9. "Disbursed Loan Balance" means the principal amount of the Loan disbursed to the Borrower and outstanding from time to time.

10. "Disbursement Handbook" means the Disbursement Handbook of the African Development Bank Group dated 22 July 2012 setting out the disbursement policies,
guidelines, practices, and procedures of the Bank Group as the same may be amended from time to time.

11. "Eligible Expenditures" means expenditure determined as eligible for Bank Group financing under the Policy on Expenditure Eligible for Bank Group Financing dated March 2008 as the same may be amended from time to time.

12. "Environmental and Social Impact Assessment" or "ESIA" means a tool to identify and assess the likely environmental and social impacts of the Project, to determine their magnitude and significance, and to define management or mitigation measures designed to avoid and minimize where possible, or if not, to offset or compensate for adverse impacts and risks.

13. "Environmental and Social Management Plan" or "ESMP" means an instrument developed as the outcome of an ESIA of the Project that sets out the action plan of environmental and social management measures to be implemented by the Borrower as the same may be amended, supplemented or updated from time to time in concurrence with the Fund.

14. "Executing Agency's Legislation" means the Ghana Highway Authority Act, 1997 (Act 540), or its successor establishing the Ghana Highway Authority as a body corporate to provide a safe and reliable trunk road network in Ghana.

15. "Fund's Safeguards Policies" the policies, procedures and guidelines of the Fund that concern environmental and social matters including, the Bank Group Integrated Safeguards System (Policy Statement, Operational Safeguards and Guidance Materials), the Involuntary Resettlement Policy, the Environmental and Social Assessment Procedures, the Bank Group Policy for Disclosure and Access to Information, the Bank Group Policy on Poverty Reduction, the Gender Policy as the same may be amended and revised from time to time.

16. "Prior Review" means the review by the Fund of the following documents with regards to procurement under the Fund's procurement methods and procedures as the same may be further defined in the Procurement Policy: (i) General Procurement Notices; (ii) Specific Procurement Notices; (iii) Bidding Documents and Requests for Proposals from Consultants; (iv) Bid Evaluation Reports or Reports on Evaluation of Consultants' Proposals, including shortlists and recommendations for contract awards; (v) draft contracts, if these have been amended and differ from the drafts included in the bid/tender documents; and (vi) modification of signed contracts and such other document or information that the Fund may request.

-2-
17. "Procurement Framework" means (i) Procurement Policy for Bank Group Funded Operations dated October 2015 and effective January 1, 2016; (ii) the Methodology for Implementation of the Procurement Policy of the African Development Bank; (iii) the Operations Procurement Manual for the African Development Bank; and (iv) the Procurement Toolkit for the African Development Bank as amended from time to time.

18. "Procurement Plan" means the procurement plan set forth in Schedule III of this Agreement prepared in accordance with the Procurement Framework indicating, among other things: (i) the particular activities required to implement the Project; (ii) the proposed methods for procurement; and (iii) the applicable review procedures; and as the same shall be updated from time to time in agreement with the Fund.

19. "Project Report" means the report prepared by the Borrower pursuant to this Agreement containing project information that includes amongst others, sources and uses of funds including those committed, with the corresponding budgets, progress on project implementation made in the achievement of the results as well as progress on compliance with the environmental and social safeguards requirements including the implementation of the ESMP and the RAP, (where applicable) together with other supporting schedules and highlighting issues that require attention.

20. "Resettlement Action Plan" or "RAP" means a comprehensive planning document prepared by the Borrower in accordance with the Fund's Safeguards Policies that specifies the procedures that an involuntary resettlement process shall follow, and the actions that shall be taken to compensate Project affected persons and communities as the same may be amended, supplemented or updated from time to time in concurrence with the Fund.


22. "Undisbursed Loan Balance" means the amount of the Loan remaining undisbursed from the Loan Account from time to time.