

**IN THE SECOND SESSION OF THE SEVENTH PARLIAMENT OF
THE FOURTH REPUBLIC OF GHANA**

REPORT OF THE COMMITTEE ON ROADS AND TRANSPORT

ON THE

**COMMERCIAL CONTRACT AGREEMENT BETWEEN THE
GOVERNMENT OF THE REPUBLIC OF GHANA ACTING
THROUGH THE MINISTRY OF ROADS AND HIGHWAYS AND
MUNCK CIVIL ENGINEERS A/S DENMARK FOR THE
CONSTRUCTION OF BRIDGES IN NORTHERN GHANA**

26th July, 2018

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COMMERCIAL CONTRACT AGREEMENT BETWEEN THE GOVERNMENT OF
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1.0 INTRODUCTION

- 1.1 The Commercial Agreement between the Government of the Republic of Ghana (represented by the Ministry of Roads and Highways) and Munck Civil Engineers A/S, Denmark for the construction of Bridges in Northern Ghana was laid in the House on Wednesday, 25th July, 2018 by the Hon. Deputy Minister for Finance, Mrs Abena Osei Asare on behalf of the Minister for Finance.
- 1.2 The First Deputy Speaker referred the Agreement to the Committee on Roads and Transport for consideration and report in accordance with Article 181(5) of the 1993 Constitution and Order 189 of the Standing Orders of the Parliament of Ghana.
- 1.3 The Committee met with the Hon. Deputy Minister for Roads and Highways, Hon. Kwabena Owusu-Aduomi and officials from the Ministry of Roads and Highways and considered the Agreement. The Committee presents its reports to the House in accordance with Order 161 of the Standing Orders of the House.

2.0 BACKGROUND

- 2.1 Heavy rains hit parts of Northern parts of Ghana in September 2007, causing significant damage to a number of bridges and cross drainage structures. The downpour caused routes to a number of farming communities to be cut-off, hampering severely, travel to and from these areas. The Upper East and Upper West regions were the areas severely affected. The Government of Ghana as temporary response to mitigate the disruption caused by the rains, partnered DANIDA and

undertook emergency repair works by installing Bailey bridges and other temporary structures at the affected crossings until permanent bridges could be provided.

- 2.2 In April 2009, the Government of Ghana acting through the Ministry of Roads and Highways (MRH) and the Ghana Highways Authority (GHA), requested financial support from the Danish Government through DANIDA for a Credit Facility to construct permanent bridges at seven (7) selected locations of the affected areas which are of critical importance to the development of the Upper East and Upper West Regions of the country. The bridges are to be financed from a Credit Facility from DANSKE BANK:

PROJECT SCOPE

The project scope is outlined in the table below:

ITEM	BRIDGE NAME	LOCATION (REGION)	CURRENT SPAN	PROPOSED SPAN
1.	Kulungugu	Upper East	58m	100m
2.	Garu	Upper East (2)	10m 68m	25m 75m
3.	Doninga	Upper East	31m	50m
4.	Sissili	Border between Upper East and Upper West	Non-existent	125m
5.	Kulun	Upper West	Non-existent	100m
6.	Ambalara	Upper West	45m Bridge Washed Away	75m

3.0 OBJECTIVE OF THE PROJECT

The core objectives of the project is to:

- Open the Upper East and Upper West regions for enhanced integration.
- Reduce travel time and make the movement of people from one place to the other in the Northern Region less perilous.
- Increase accessibility to hospitals, schools and other social-cultural facilities which are hampered by obstructions at river points as a result of lack of bridges at river crossing points
- Improve movement of goods and people within the areas of influence by removing traffic bottlenecks at river crossings.
- Contribute to agricultural growth and overall economic development.

4.0 PROJECT DESCRIPTION

The project involves the construction of seven (7) new Composite Bridges with a span totalling 550 meters in length. The foundations and piers are of reinforced concrete whilst the deck is made of steel. The width of each bridge is about 12m, enough to accommodate single lane dual carriageway road with shoulders and pedestrian walkways.

Also approximately 9.8km of Approach Roads between Doninga and Sissili will be rehabilitated and a new road of about 10.8km constructed to replace the existing non-engineered road west from the Sissili Bridge to the road section that continues to Welembelle.

5.0 JUSTIFICATION OF PROJECT

- The project when completed would help reduce the incidence of loss of productive work as a result of long travel times and use of alternative routes, and people making long detours.

- Stem increase cost for time-sensitive perishable farm produce that are transported across bridges.
- Pave way for international vehicular traffic to surrounding landlocked countries.
- Ensure an all year-round access of the populace to schools, hospitals and increase market activity by eliminating interruptions during the rainy season.

6.0 PROJECT COST

The project cost is estimated at Sixty-Two Million, Seven Hundred and Eight-One Thousand, Four Hundred and Eighty-Three Euro, Thirty Cents (€62,781,483.30).

The breakdown comprise Sixty Million, Four Hundred and Ninety-Seven Thousand Six Hundred and Forty Euros, and Fifty-Nine Cents (€60,497,640.59) for the works. The cost of construction supervision amounts to One Million, Seven Hundred and Twelve Thousand, Eight Hundred Euro (€1,712,800.00), this is net of tax.

7.0 PROJECT DURATION

The project completion timeframe is within a period of twenty-four (24) calendar months from the effective date of the Contract Agreement.

8.0 OBSERVATIONS AND RECOMMENDATION

1. Economic Activity

The Committee noted that with the Construction of the Bridges, accessibility would be greatly improved and this will contribute to overall improvement in economic activity in the region. This will

lead to development and the alleviation of poverty, the result of increase in agro-farming, hence agricultural growth.

2. Transportation and Travel Time

The project would facilitate easy and reliable transportation of goods and passenger transport during the rainy season. Route detours would be minimised and all year-round access to schools, hospitals and markets would be assured. Travel time and cost of transportation in the project zone of influence would also be reduced.

3. Impact on Socio-Economic - Cultural Activity in the Region

The Committee noted that the project implementation would trigger a number of socio-economic -cultural disruptions in the zones of influence. The Committee was, however, informed that mitigation measures have been considered to protect the socio-economic and cultural activities that would be impacted as a result of the works. Towards this end, businesses, properties, waste disposal system, utilities, electricity, water supply which will be disrupted in the zone of project influence, would have to be relocated.

4. Environmental Impact

The Committee was informed that the contract has mitigating measures to the impact on the environment, the implementation of which will eliminate the anticipated adverse impact. A proposed program for managing the environmental consequences have been worked out to see to the effective implementation of the project on a sustainable basis with minimal environmental impact.

5. Sensitization Program

The Committee was informed that to ensure the realisation of project objectives, there have been broad consultations with all stakeholders and project affected persons, prior to project implementation, all to ensue project success and completion.

6. Implementation Arrangement

The Committee noted that under the contract agreement, the credit facility is tied to Danish Companies for project implementation and the Ghana Highway Authority is the implementing agency that would oversee the smooth execution of the project and deal with all contractual issues and project related matters.

The Committee urged the Ministry of Roads and Highways to make room for local content and participation and ensure that indigenous population are involved in the construction of the project.

7. Conditions of Contract

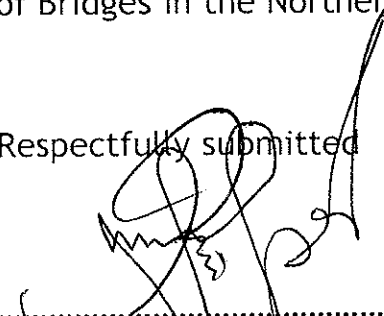
The execution of the works will be governed by the FIDIC General Conditions of Contract and particular Applications. The Committee examined the conditions and found them to impose minimum risk to the Employer. The contractor will provide security either in a form of a Bond or Bank Guarantee for proper execution of the project.

Besides, insurance will be provided for the work, contractor plant and equipment and for third party.

8.0 CONCLUSION

The Committee having examined the Contract Agreement, and considering Government desire to improve the living standard of the rural people and properly support the socio-economic development of rural communities in the Northern Ghana, recommends to the House to approve its report on the Commercial Agreement between Government of Ghana (acting through the Ministry of Roads and Highways) and Munck Civil Engineers A/S Denmark for the construction of Bridges in the Northern Ghana.

Respectfully submitted



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HON. SAMUEL AYEH-PAYE
CHAIRMAN, COMMITTEE ON
ROADS AND TRANSPORT



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MR. ASANTE AMOAKO-ATTA
CLERK, COMMITTEE ON
ROADS AND TRANSPORT