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

**REPORT OF THE COMMITTEE ON FOOD, AGRICULTURE AND
COCOA AFFAIRS**

ON THE

**THE AGREEMENT BETWEEN THE GOVERNMENT OF GHANA
ACTING THROUGH THE MINISTRY OF FISHERIES AND
ACQUACULTURE AND THE ROYAL HASKONINGDHV (RHDHV)
OF THE NETHERLANDS FOR APPROVAL OF PAYMENT FOR
CONSULTANCY WORKS**

**REPORT OF THE COMMITTEE ON FOOD, AGRICULTURE AND COCOA
AFFAIRS ON THE AGREEMENT BETWEEN THE GOVERNMENT OF GHANA
AND THE ROYAL HASKONINGDHV (RHDHV) OF THE NETHERLANDS FOR
APPROVAL OF PAYMENT FOR CONSULTANCY WORKS**

1.0 INTRODUCTION

The Government of the Republic of Ghana acting through the Ministry of Fisheries and Aquaculture Development signed a contract with Messrs RHDV from the Netherlands to provide consultancy services on the feasibility studies for the construction of phase one of the new Coastal Landing Sites at the cost of **One Hundred and Thirty Eight Thousand, One Hundred Euros**. The request for approval was laid by the Minister for Fisheries and Aquaculture Development, Hon. Elizabeth Afoley Quaye on Wednesday, 25th July, 2018.

Mr. Speaker referred the request to the Committee on Food, Agriculture and Cocoa Affairs in accordance with Article 181 (5) of the 1992 Constitution and Standing Order 189 for consideration and report.

2.0 ACKNOWLEDGEMENT

The Committee met with the Minister for Fisheries and Aquaculture Development, Hon. Elizabeth Afoley Quaye, the Chief Director Prof. Francis K.A. Nunoo and officials from the Fisheries Commission to deliberate on the agreement.

The Committee acknowledges the invaluable contributions of all who contributed to the successful deliberation on the agreement.

3.0 REFERENCE DOCUMENTS

References were made to the following documents during the consideration of the referral:

- i. The 1992 Constitution of Ghana
- ii. The Standing Orders of Parliament of Ghana

- iii. Agreement between the Government of Ghana and Royal Haskoningdhv (HDHV) of the Netherlands for an amount of One Hundred and Thirty Eight Thousand, One Hundred Euro for consultancy services for phase one landing sites.

4.0 BACKGROUND INFORMATION

The fisheries sector in Ghana contributes 60% of the annual protein intake of Ghanaians and accounts for 1.1% of the country's Gross Domestic Product (GDP) and 6% of Agriculture GDP. The fisheries sector provides livelihood to almost 2.6 million Ghanaians and contributes about \$1 billion to GDP. The sector is classified into three (3) sub-sectors based on the production source, namely Marine, Inland and Aquaculture.

The marine fisheries subsector comprises the artisanal, semi-industrial (inshore) and industrial fisheries. The inland fisheries consists mainly of fishing activities that occur within inland water bodies such as river, lakes, lagoons, pond, raceways etc. Aquaculture is the production of cultured fish in the lakes, ponds and cages.

Landing sites are places where the fishing fleets (industrial vessels, semi – industrial and artisanal canoes) land their vessels and undertake their marketing. The industrial, vessels made up of 37 tuna and 74 trawl vessels land at the two fishing ports of Ghana, Tema and Sekondi. Over 300 semi-industrial vessels land at the Tema, Sekondi, Elmina, Mumford and other landing sites. Apart from Tema and Sekondi, the other landing sites for semi-industrial boats are not safe resulting in destruction of boats and gears during high tides.

The Artisanal canoes subsectors are found along the coast and the inland water bodies. Along the coast of Ghana, there are 186 fishing communities, villages and 292 landing sites according to the 2016 Ghana Marine Canoe Frame Survey Report. These numbers, exclude the number of fishing communities, villages and landing sites along our inland water bodies such as Volta, Bosomtwi, Bui etc. the

Artisanal fishery contributes the majority of fish supply in Ghana. The artisanal marines contributes about 70% of total marine production and the inland 17% to the county's total production.

The artisanal landing sites are characterized by a lack of adequate facilities. The canoes are launched from and landed on the beaches in exposed conditions, the fish is unloaded and processed in unhygienic conditions. Additionally, lack of basic amenities and utilities such as toilets, washrooms and adequate infrastructure to store the fish in cool conditions for selling in good condition on the local market. At the moment, the existing ways of works and lack of facilities lead to considerable post-harvest losses throughout the sector.

To address these challenges, in 2007, the Ministry of Fisheries started the project of new coastal small fishing port sites along the coast and some inland fishing landing sites of Ghana for twelve (12) fishing landing sites and two (2) mini harbours. The projects started with Data Collection, investigations and location studies, interaction with all Stakeholders, Environmental Impact Assessments and Designs for the chosen locations. RHDHV from the Netherlands was contracted in 2007 to prepare the designs and supervise the construction of 12 landing sites project. However due to funding challenges, the designs were submitted but the construction did not start.

In 2011, RHDHV was contracted to supervise the construction of the 12 landing sites and 2 mini Harbours project using the 2007/2008 designs. Funding for the project was envisaged become from the China Development Bank (CDB) facility. The project however stalled when the CDB facility did not materialize.

In 2017, the Ministry, given the urgency to implement the 12 Fish Landing sites and 2 Mini Harbours project in phases, obtained approval from the Public Procurement Authority (PPA) to contract RHDHV under a single sourced process. The contract is to update the Designs, prepare Master Plan, Bills of quantities,

Tender documents and assist to contract the phase 1 construction of four(4) sites; namely Axim, Mumford, Teshie and Winneba.

5.0 JUSTIFICATION

Along the Ghanaian coastline, the waves are turbulent and dangerous for canoes to cross the wave breaking zones with resultant loss of lives and damage to canoes and boats. Additionally, high tidal waves hitting across the coastline destroys canoes, boats, gears and other properties. The new fishing ports and fishing landing locations will create safe berthing conditions and ensure a dramatic drop in loss of lives and property improving safety for the fishermen.

It is expected that it would lead to poverty reduction, food and nutrition security would also be assured when the improved landing sites aids to reduce damage to fish gears, particularly during high tidal waves leading to a reduction in cost of production for better profit margins for fishermen.

Budgetary allocations for landing sites for four sites were mentioned during the 2018 Budget Statement and Economic Policy presentation in Parliament.

RHDHV having started investigations on the Ghana new landing sites and small fishing ports projects studies and investigations in 2007, would now include environmental, social and economic feasibility study, update the existing studies, prepare tender document for the 4 sites and assist in the procurement for the contractor. Considering that RHDHV undertook the initial works and had been heavily involved since 2007 and 2011, it is effective and efficient to engage RHDHV than another firm who might need to do a whole feasibility studies again.

6.0 HIGHLIGHTS OF THE AGREEMENT

Clause 1: Object and Scope of the Agreement

The objective of the Consultancy Services for Phase 1 of the landing sites is to update the initial designs and Master Plan prepared for the Ministry ten (10) years ago for the construction of landing sites at Axim, Mumford, Winneba and Teshie.

Scope of the services include conducting Environmental, Social and Economic Feasibility, updating studies and Environmental Impact Assessments (EIA) to apply for Environmental Protection Agency (EPA) permit as well assist in the procurement of the contractor for the construction.

Clause 2: Contract Price and Terms of Payment

Per the Agreement, the price of the Consultancy is One Hundred and Thirty Eight Thousand, One Hundred Euros (€138,100.00).

The terms of payment as approved by the Attorney-General are:

Forty (40) percent of the Lump-sum amount to be paid upon submission and acceptance and the reports on the studies and designs,

Thirty (30) percent of the Lump-Sum amount to be paid upon submission and acceptance procurement documents for the contractor,

Thirty (30) percent of Lump-Sum amount to be paid upon evaluation of the bids of the Constructors and their Sub-Contractors and the recommendation letter to MoFAD

The total amount shall be paid in both Euros and Ghana Cedis. That is €127,88.60 in foreign currency while €10,219.40 would be paid in Ghanaian Cedis into the respective banks as provided.

Clauses 3 and 4: Effective date of the Agreement and Term of Contract

Clause 3 of the Agreement stipulates that the contract shall become effective upon the fulfilment of the following conditions:

The signature of both parties;

Approval of the Public Procurement Authority, and

This Agreement having received Parliamentary approval in accordance with Article 181(5) of the 1992 Constitution of the Republic of Ghana.

Additionally, the tenure of the contract is for Eight (8) months as per Clause 4 of the Agreement.

Clause 5: Delivery of the Consultancy Services

Clause 5 indicated the specific activities and the timelines allotted for them.

Clause 6: Delay in the Consultant's Performance

Clause 6 of the Agreement states that the execution of the contract shall be in accordance with the Delivery Schedule as provided in Clause 5 and a delay in the delivery of service shall result in imposition of liquidated damages and or termination of the Agreement for default. The Agreement also made provision for Liquidated Damages, up to 10% of the cost of the particular service, should the consultant fail to deliver on schedule. After such high liquidated Damages, the Ministry may consider termination

Clauses 7, 8, 9, and 10: Performance Guarantee, Dispute Resolution and Governing law

Upon discussion with and approval of the Attorney-General, the Clause on Performance guarantee was deleted with the understanding that, the consultant is to undertake supervision for the construction phase of the project and

eventually update the Designs for the other eight (8) landing sites and the 2 mini harbours.

The Agreement is subject to the laws of Ghana and therefore disputes that may arise during the term would be settled using the Alternative Mechanism under the Ghanaian Laws

Other Clauses: Termination, Confidentiality, Ownership of Materials

The Agreement makes provision for conditions under which the Agreement could be terminated. It also ensures the confidentiality of information shared during the term of the Contract and after the contract. The Agreement further indicates that the material produced by the Consultant are owned by the Ministry.

7.0 OBSERVATIONS AND RECOMMENDATIONS

7.1 SINGLE SOURCED PROJECT

The Committee observed that the agreement was single sourced, subject to approval given by the Public Procurement Authority under Section 72 (5) of Act 665. The approval was given based on information that Royal Haskoningdhv (RHDHV) of the Netherlands commenced work on the designs and supervision of construction of 12 landing sites in 2007 but could not complete its work due to the lack of funds. The Committee recommends that subject to the approval of the agreement the Ministry of Fisheries and Aquaculture should ensure that the consultant completes works on the drawings and feasibility studies per the provisions of the agreement.

7.2 BUDGET ALLOCATION FOR 2018

The Committee realised that the 2018 Budget Statement and Economic Policy of the Government provided for the development of the four landing sites and amount of GH435, 000.00 was allocated. The landing sites mentioned included

the landing site at Jamestown, It is however important to state that the development of the Jamestown landing site has received funding from the Chinese Grant and will not be part of the RHDHV Agreement sites. The Jamestown landing site has been replaced with Teshie landing site.

The amount in this agreement would therefore be an addition to what was approved in the 2018 budget which is yet to be released.

The Ministry of Finance has again committed to the provision of an additional amount of **USD397.98 million** from the China Development Bank, Corporation/ Sino hydro and other financiers in support of the additional eight (8) landing sites and two (2) mini harbours.

The Committee lauds the ministry for the effort in ensuring that adequate funds are acquired in support of the development of the landing sites. It recommends that the Ministry should ensure that there is proper assessment and value for money for the work to be done.

8.0 CONCLUSIONS

The lack of facilities at our landing sites lead to considerable post-harvest losses. Absence of basic amenities and utilities such as toilets, washrooms and infrastructure for storage of fish in cool conditions for sale on the local market are also a challenge that should be surmounted. It is therefore paramount that approval is given for the amount of **One Hundred and Thirty Eight Thousand, One Hundred Euro (€138,100.00)** by the House for the update of initial designs of the Master Plan and Environmental Impact Assessments (EIA) to commence.

In this regard, the Committee recommends that the House adopts its report and approves of the agreement to ensure that works commence on the update of initial designs our landing beaches

Respectfully submitted



HON. KWAME ASAFU-ADJEI

CHAIRMAN

COMMITTEE FOOD, AGRICULTURE AND COCOA AFFAIRS



MS ANITA QUARTEY-PAPAFIO

CLERK,

COMMITTEE ON FOOD, AGRICULTURE AND COCOA AFFAIRS

