

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

**REPORT OF THE FINANCE COMMITTEE ON THE TERM  
LOAN FACILITY AGREEMENT BETWEEN THE  
GOVERNMENT OF THE REPUBLIC OF GHANA AND  
CESKOSLOVENSKA OBCHODNI BANK, A.S. OF THE CZECH  
REPUBLIC FOR AN AMOUNT OF FORTY-SEVEN MILLION,  
FIVE HUNDRED THOUSAND EUROS (€47,500,000.00)  
FOR THE DESIGN, SUPPLY AND INSTALLATION OF 50  
SMALL AND MEDIUM STEEL BRIDGE COMPONENTS TO  
SUPPORT THE MINISTRY OF ROADS AND HIGHWAYS'  
PROGRAMME FOR THE CONSTRUCTION,  
RECONSTRUCTION AND UPGRADING OF EXISTING  
BRIDGES COUNTRYWIDE**

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**INTRODUCTION**

The Term Loan Facility Agreement between the Government of the Republic of Ghana and Ceskoslovenska Obchodni Bank, A.S. of the Czech Republic for an amount of Forty-Seven Million, Five Hundred Thousand Euros (€47,500,000.00) [made up of Tranche A: €7,125,000.00 and Tranche B: €40,375,000.00] for the Design, Supply and Installation of 50 Small and Medium Steel Bridge Components to support the Ministry of Roads and Highways' Programme for the Construction, Reconstruction and Upgrading of Existing Bridges Countrywide was *laid* in Parliament

on Tuesday 18<sup>th</sup> December, 2018 by the Hon. Deputy Minister for Finance, Mrs. Abena Osei-Asare on behalf of the Minister responsible for Finance.

The Agreement was subsequently *referred* to the Finance Committee for consideration and report in accordance with Article 181 of the 1992 Constitution and Orders 169 and 171(1) of the Standing Orders of the Parliament of Ghana.

A Deputy Minister for Finance, Hon. Kwaku Kwarteng, a Deputy Minister for Roads and Highways, Hon. Anthony Karbo and officials from the Ministries of Finance and Roads and Highways attended upon and assisted the Committee in its deliberations on the Agreement.

The Committee expresses its gratitude to the Honourable Deputy Ministers and the officials for attending upon the Committee.

## **2.0 REFERENCES**

The Committee referred to and was guided by the following documents *inter alia* during its deliberations on the Agreement:

- a. The 1992 Constitution of the Republic of Ghana.
- b. The Standing Orders of the Parliament of Ghana.
- c. The Public Financial Management Act, 2016 (Act 921)

### **3.0 BACKGROUND**

The Ministry of Roads and Highways is currently implementing a rigorous programme to improve the condition of the country's road network and related facilities throughout the country.

Pursuant to that programme, the road Agencies are rehabilitating and upgrading weak or broken log bridges with short and medium span steel, composite bridges and the construction of box culverts and bridges over water crossings to reduce the bottlenecks on the road network.

Many sections of roads in the country are plagued by old wooden and steel bridges which are damaged, making many roads impassable during especially the rainy season. This phenomenon has constrained free movement on these roads and negatively impacted socio-economic development generally.

This facility is part of Government's efforts to construct, reconstruct and/or upgrade existing bridges and water crossings to facilitate the free movement of people and goods across the country.

### **4.0 PURPOSE OF THE FOURTH SUBSIDIARY AGREEMENT**

The purpose of the Agreement is to secure funds to finance the Design, Supply and Installation of Components for fifty (50) Small and Medium Steel Bridges across the country.

## **5.0 TERMS OF THE FOURTH SUBSIDIARY AGREEMENT**

*The terms of the Agreement are as follows:*

**TRANCHE A LOAN AMOUNT: €7,125,000.00** (15% of Project Cost)

Availability Period: Up to 3 months commencing on date of signing.

Repayment Period: 5 years

Interest Rate: 6 Months Libor +1.8% p.a.

Commitment Fee: 0.5% p.a. on unused amount

Management Fee: 0.6% flat on Facility Amount

Insurance: From the insurer acceptable to the Lender

**TRANCHE B LOAN AMOUNT: €40,375,000.00** (85% of Project Cost)

Availability Period: Up to 2 years from date of fulfilment of conditions precedent

Repayment Period: 10 years

Interest rate: 6 Months Libor +1.8% p.a.

Commitment fee: 0.5% p.a. on unused amount

Management Fee: 0.6% flat on Facility Amount

Insurance: From the insurer acceptable to the Lender

All-in-cost of both Tranches 5.2% p.a.

## **6.0 PROJECT DESCRIPTION AND SCOPE**

The project involves the design, supply and installation of steel components for the construction of bridges on rivers and pedestrian bridges including the execution of all sub-structure works and approach road works.

In all, 50 bridges will be built: twenty (20) on Feeder Roads, twenty (20) on Highways and ten (10) on Urban Roads.

**ATTACHMENT: The names, types and the respective lengths of the specific bridges to be constructed are attached as APPENDIX**

## **7.0 OBSERVATIONS**

### **7.1 Repayment of Facility**

The Committee was informed that the facility shall be repaid by semi-annual consecutive installments six (6) months after first drawing for *Tranche A* and six (6) months after end of availability period for *Tranche B*.

### **7.2 Benefits of the Project**

The Committee observed that the successful construction of the bridges would help to increase accessibility to hospitals, schools and other social/cultural facilities to which accessibility is currently hampered due to lack of bridges at river crossing points. The project would enhance the movement of goods and people within the catchment areas and contribute generally to economic development and poverty alleviation.

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### **7.3 Taxes**

The Committee was informed that the Agreement requires all payments thereunder as well as materials and equipment to be used for the project to be free from taxes, customs duties, stamp duties, levies and fees which are otherwise applicable.

The Committee advises the Ministry of Finance to endeavor to present a formal request to the House in due course for consideration and approval.

### **7.4 Other Bridge Projects**

The Committee enquired to know what the Ministry of Roads and Highways was doing to attend to other bridges that are not covered by this loan facility.

To this, the Committee was informed that the Ministry and its Agencies have several different interventions planned for all the bridges and water crossings that have been identified and prioritized. There are presently over *five thousand (5,000)* water crossings on all roads and highways in Ghana, of which *one thousand, two hundred (1,200)* have been prioritized for intervention.

Government was said, for instance, to be in discussion with the Danish International Development Agency (DANIDA) for financial support in the form of a mixed-credit facility to construct permanent bridges at various sites of critical

importance in Upper East and Upper West Regions. These bridges include:

- i. Kulungugu Bridge on Bawku-Kulungugu-Burkina Faso Road
- ii. Garu Bridge on Bawku-Missiga-Garu Road
- iii. Doninga and Sissili Bridges on Sandema-Doninga Road
- iv. Ambalara Bridge on Bulenga-Yaala-Kundugu Road
- v. Kulun Bridge on Bulenga-Yaala-Kundugu Road

### **7.5 Footbridges on the George Bush Motorway**

As to what the Ministry of Roads and Highways was doing to install footbridges on the George Walker Bush (N1) Highway to curtail the numerous deaths on that road, the Deputy Minister for Roads and Highways, Hon. Anthony Karbo informed the Committee that the Ministry had immediate plans to install footbridges on that stretch of road and on other highways in the major cities to make them safer for pedestrians.

### **7.6 Asuoyaa Bridge on Mamfe-Koforidua Road**

The Committee noted that Koforidua has virtually become the conference capital of the country and many people travel there for workshops and conferences, including many public officials and foreigners, some of whom may be traveling to Koforidua for the first time.

The Committee therefore enquired to know what plans the Ministry of Roads and Highways had in place to immediately

reconstruct and expand the *Asuoyaa Bridge* on the Koforidua road which is presently in a narrow and dangerous state.

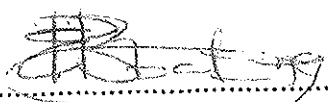
The Deputy Minister for Roads and Highways, Hon. Anthony Karbo assured the Committee that immediate steps would be taken to reconstruct the bridge to remove the danger it presently poses to motorists.

## **8.0 CONCLUSION**

The Committee recommends to the House to adopt this report and approve by resolution, the **Term Loan Facility Agreement** between the **Government of the Republic of Ghana** and **Ceskoslovenska Obchodni Bank, A.S. of the Czech Republic** for an amount of *Forty-Seven Million, Five Hundred Thousand Euros (€47,500,000.00)* [made up of Tranche A: €7,125,000.00 and Tranche B: €40,375,000.00] for the **Design, Supply and Installation of 50 Small and Medium Steel Bridge Components** to support the Ministry of Roads and Highways' Programme for the Construction, Reconstruction and Upgrading of Existing Bridges Countrywide in accordance with article 181 of the 1992 Constitution of the Republic of Ghana.

Respectfully Submitted.

  
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**HON. DR. MARK ASSIBEY-YEBOAH**  
**(CHAIRMAN, FINANCE COMMITTEE)**

  
.....  
**EVELYN BREFO-BOATENG (MS.)**  
**(CLERK, FINANCE COMMITTEE)**

**19<sup>TH</sup> DECEMBER, 2018**



# APPENDIX

LIST OF BRIDGES TO BE REPLACED UNDER THE CZECH BRIDGE PROGRAMME

ITEM	REGION	BRIDGE NAME	LENGTH (M)	TYPE
1	BAR	ATRONIE BRIDGE	40	RC
2	ASH	BRIDGE AT AMOAKO BOMAH	20	RC
3	CR	BRIDGE AT NYARKROM	18.4	RC
4	BAR	TAFIANO BRIDGE	25	BAILEY
5	ER	OTERKPOLU	50	RC
6	ER	OKWENYA	20	RC
7	BAR	ACHERENSUA - NTOTROSO (TANO BRIDGE)	40	RC
8	WR	ESIAMA - NKROFUL	18	BAILEY
9	ASH	AFRAMSO - KYEKYEBON	35	BAILEY
10	WR	DABOASE-ATIEKU (R. PRA)	25	BAILEY
11	WR	PRINCESS JN.-PRINCESS (R. NYANOR)	28	BAILEY
12	WR	AKATIESO-NEW DEBISO(R. SUKUSUKU)	40	BAILEY
13	WR	ELUBO-MILE 4(ENCHI) (R. BOINSO)	33	BAILEY
14	WR	ABOI JN.-AMOAKU JN(R. BISAA)	44	STEEL
15	WR	ABOI JN.-AMOAKU JN(R. SAMRE)	34	STEEL
16	WR	INSU JN- OPPONG VALLEY(R. OPPONG)	20	BAILEY
17	WR	INSU JN- OPPONG VALLEY(R. OPPONG)	25	CONCRETE
18	ER	AKIM ODA BRIDGE(APEDESU RIVER)	15	COMPOSITE
19	ER	SWEDRU BY-PASS BRIDGE	40	BAILEY
20	AR	KUMAWU - KWAAMAN	50	RC
		TOTAL LENGTH OF BRIDGE	620.4	

