

**REPORT OF THE COMMITTEE ON ROADS AND TRANSPORT ON THE  
COMMERCIAL CONTRACT AGREEMENTS BETWEEN THE GOVERNMENT OF  
THE REPUBLIC OF GHANA ACTING THROUGH THE MINISTRY OF ROADS AND  
HIGHWAYS AND**

- i. **CHINA GANSU INTERNATIONAL CORPORATION FOR ECONOMIC AND  
TECHNICAL COOPERATION**
- ii. **CHINA RAILWAY MAJOR BRIDGE ENGINEERING GROUP CO. LTD.**
- iii. **BEIJING EVERYWAY TRAFFIC & LIGHTING TECH. CO. LTD.**

**1.0 INTRODUCTION**

On Thursday 20<sup>th</sup> December 2018, the Minister of Roads and Highways, Hon. Kwasi Amoako-Attah laid before the House, three Commercial Contract Agreements for the amount of **US\$236,100,000.00** for financing the implementation of the following agreements.

- i. The Contract Agreement between the Government of the Republic of Ghana (Ministry of Roads and Highways) represented by the Department of Urban Roads (the Employer) and **China Gansu International Corporation for Economic and Technical Cooperation** (the Contractor) for an amount of **Eighty -Five Million, Three Hundred and Forty-Two Thousand, Four Hundred and Sixty-Nine Dollars and Thirsty- Eight cents (US\$85,342,469.38)**, for the **Accra Metropolitan Area Intelligent Traffic Management and Roads Completion Project - La Beach Road Completion Project Phase I (Tema Road: Independence Arch to Nungua Barrier - 16.00km)** and;
- ii. Contract Agreement between the Government of the Republic of Ghana (Ministry of Roads and Highways) represented by the Department of Urban Roads (the

- \* Employer) and **China Railway Major Bridge Engineering Group Co. Ltd.** (the Contractor) for an amount of **Fifty Million, Seven Hundred and Fifty-Seven Thousand, Five Hundred and Thirty Dollars and Sixty-Two cents (US\$50,757,530.62)** for the **Accra Metropolitan Area Intelligent Traffic Management and Roads Completion Project, - La Beach Road Completion Project Phase 2 (Coastal and Meridian Roads- Nungua Barrier to Tema - 10.60km);** and
- vi. Contract Agreement between the Government of the Republic of Ghana (Ministry of Roads and Highways) represented by the Department of Urban Roads (the Employer) and **Beijing Everyway Traffic & Lighting Tech. Co. Ltd.** (the Contractor) for an amount of **One Hundred Million Dollars (US\$100,000,000.00)** for **Engineering, Procurement, Installation and Commissioning of the Accra Metropolitan Area Intelligent Traffic Management System.**

The Rt. Hon. Speaker in accordance to Standing Order 189 subsequently referred to the Committee on Roads and Transport for consideration and report in accordance with Article 181(5) of the 1992 constitution and Order 189 of the Standing Orders of the Parliament of Ghana, the above stated Contract Agreements. The Committee on Roads and Transport on Friday, 21st December 2018 met with the Minister of Roads and Highways, Mr. Kwasi Amoako-Attah and his deputies, Mr. Kwabena Owusu Aduomi and Mr. Anthony N-Yoh Puowele Karbo, the Chief Director, together with officials of the Ministry and officers from the Department of Urban Roads and considered the three Contract Agreements. The Committee presents its Report to the House in accordance with Order 161 of the Standing Order of the House.

## **2.0 BACKGROUND**

The government recognizes the importance of good road infrastructure as a critical facilitator for rapid socio-economic development of the Country through the improvement of access, reduction in travel times, congestion vehicle operating cost and accidents. To ensure the operational efficiency of road transport in moving persons, goods and services, both within the country and neighbouring countries, the government has already implemented some major road infrastructure projects and continues to source funding for the implementation of additional critical road infrastructure development agenda.

The Government of Ghana in pursuit of the above, has signed a Master Facility Agreement (MFA) and other related financing Documents with China Development Bank on 16<sup>th</sup> December 2011 for the implementation of various infrastructure projects including the Accra Intelligent Traffic Management Project (AITMP).

The project is made up of two components:

- i. Accra Intelligent Traffic Management system and
- ii. The La Beach Road Completion Project.

## **3.0 SCOPE OF PROJECT**

The scope of the project is as follows:

- La Beach Road Completion Project - Phase1 (Tema Road: Independence Arch to Nungua Barrier - 16.00km) includes among others:
  - i. 2-lane dual carriageway, walkways, cycle paths; BRT Route ROW reserved in the median.
  - ii. Construction of Bridge over the Kpeshie Lagoon;

- iii. Strengthening of the road pavement and improvement of drainage.

As part of the project, the following will also be undertaken

- i. Intersection Improvement Works
  - ii. Construction of the Traffic Control Centre and
  - iii. Consultancy Supervision Services for the Project.
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- La Beach Road Completion Project - Phase2 (Coastal and Meridian Roads: Nungua Barrier to Tema Harbour Roundabout - 10.60km) includes among others:
    - i. Widening of Coastal and Meridian Roads
    - ii. 2-lane dual carriageway, walk ways, cycle path, RBT Route ROW reserved in the median.
    - iii. interchange at Nungua Barrier
    - iv. 1 No. road over rail bridge neat Sakumono Junction.
  
  - Accra Intelligent Traffic Management System includes among others:
    - i) Supply of Equipment for the Intelligent Traffic Management System (including dynamic message signs, red-light enforcement system, permanent count stations intelligent street lightning system) and static signage.
    - ii) Provision of technical services covering the planning, design, construction, supervision, operation and training.

#### **4.0 PROJECT JUSTIFICATION**

The nature of the Subsidiary Agreement under the MFA offers considerable benefits for the country as it assures financing for essential projects across

the sectors of the economy including road infrastructure to facilitate rapid socio-economic growth.

The Accra Intelligent Traffic Management Project is anticipated to result in the following benefits:

1. Provide a framework and systems to effectively mitigate traffic congestion in Accra: Commuters, businesses, tourists, etc. waste untold number of hours every day in congested traffic. Fuel is wasted by drivers in slow moving traffic; severe environmental pollution from vehicle congestion; and safety hazards posed by aggressive and frustrated drivers held up in congested traffic will be mitigated by the Project.
2. Support the implementation of infrastructure projects: Accra is an urban centre with land uses that include commercial retail outlets, hotels, service facilities, public facilities, residential uses etc. Access to these land uses are critical to ensure a vibrant city. The Project will also enhance patronage of public transport buses, reduce traffic delays, allow for the diversion of traffic from trouble spots, and continuously seek to improve the timing of signals to create a smoother ride for commuters.
3. Enhance safety and security: Illuminated streets in Accra will enhance safety and security of residents and businesses alike. Individuals will feel safer walking down the streets at night due to enhanced lighting.
4. Emergency preparedness: The traffic management and control centre to be built as part of the Project will serve not only for managing traffic and incidents on the roadways to ensure smooth and safe ride for communities, but also the facility will serve as the coordinating centre during national emergencies, special events, flood control, security during dignitary functions and the like.

5. Support Urban renewal: Night-time illumination in Accra is dismal. The Street lighting component of the project will enhance security, encourage night-life, and revitalize communities in the Greater Accra area.
6. Support economic development: A vibrant night-life in Accra will entice businesses to expand their operations and open new ones. Night-life at the Accra Mall is a testament to the potential of creating an environment that supports economic development in Accra, a potential outcome of this project.
7. Capacity Building in Advance Transportation System Management: Local transport engineers, electronic technicians, traffic system maintenance staff, etc. will be recruited and trained to operate, manage and maintain the installed equipment, providing employment and skills development to local personnel.
8. Roads Component: Furthermore, the roads to be constructed under the project have been determined to be a significant part of the national road network and that:
  - i. The implementation of these roads will result in lowering vehicle operating costs, savings in travel time, reduction in vehicular congestion and accident rates and to generally improve access and contribute significantly to socio-economic activities.
  - ii. Improvements of the roads would provide our landlocked neighbours access to our seaports in conformity with the Almaty Declarations and;
  - iii. Trade facilitation, regional cooperation and integration will be enhanced.

The key activities to be undertaken under the Accra Intelligent Traffic Management Project include the following:

- a. Supply of equipment for the Intelligent Traffic Management System (including dynamic message signs, red-light enforcement system,

permanent count stations, intelligent street lighting system and static signage)

- b. Provision of technical services covering the planning, design, construction, supervision, operations and training
- c. Widening of the 26.60km beach road (Independence Arch in Accra to Harbour Roundabout in Tema) into 2-lane dual carriageway with provision of the ROW for Bus Rapid Transit (BRT) Route within the median.
- d. Construction of two bridges and interchange as follows:
  - i. Bridge across the Kpeshie Lagoon
  - ii. 1 No. Bridge over rail near Nungua Barrier , and
  - iii. An interchange at Nungua barrier.

## 5.0 OBSERVATIONS

### 5.1 Project Objective

The Committee noted that the objective of the Project was to:

- i. Improve mobility in the Greater Accra Metropolitan Area
- ii. Provide a central facility form where traffic operations in Accra will be controlled, monitored and managed
- iii. Provide equipment and training for the operation and maintenance of traffic
- iv. Support urban renewal through the provision of street lighting system.

### 5.2 Project Duration

The duration of the Project is twenty-four (24) months from the commencement date for the contracts.

### 5.3 Project Financial Impact

The Committee was informed that the project will be financed through the CBD Financing Agreement between Government and the China Development Bank. The Committee noted that under this arrangement, the total cost of the project is **US\$236.10 million**.

The CDB is providing up to 85% of the funding for the project, amounting to **US\$200.68 million** and the Government of Ghana expected to provide 15% counterpart funding amounting to **US\$35.42 million**.

### 5.4 Project Financing Details

The Committee was informed that the revised subsidiary agreement under which the project will be funded triggered modifications to the funding arrangements. The Accra Intelligent Traffic Management Project was initially placed under Tranche A and is now a Tranche B facility. The Committee noted that these modifications have triggered amendments to the financing documents and subsequently the contract arrangement for



the Works. Supplementary Agreement was therefore signed to reflect and govern the current arrangement and understanding reached for the implementation of the various components of the project.

The revised Contract arrangement and the Scope of Works to be undertaken as part of the project and the respective Contract costs are summarized in table 1.

Table 1: Contract Costs for Project

Component	Sub Component	Description	Length (km)	Contractor	Cost (US\$)	Duration (months)
1	A	ACCRA INTELLIGENT TRAFFIC MANAGEMENT SYSTEM		Beijing Everyway Traffic and Lighting Company Limited	100,000,000.00	24
		<b>SUBTOTAL</b>			<b>100,000,000.00</b>	
2	A	BEACH ROAD COMPLETION – LOT 1 (INDEPENDENCE ARCH TO NUNGUA BARRIER) with the following additional contracts: Intersection Improvement Works Construction of Traffic Control Centre Construction Supervision of AITMS Project Design and Construction Supervision of Traffic Control Centre Consultancy Service for Design Review and Construction Supervision of Beach Road Completion Project	16.00	China Gansu International Corporation for Technical and Economic Cooperation	46,800,000.00 19,000,000.00 9,869,707.33 5,368,648.05 804,561.00 3,499,553.00	24
		<b>SUBTOTAL</b>			<b>85,342,469.38</b>	
2	B	BEACH ROAD COMPLETION – LOT 2 (NUNGUA BARRIER TO TEMA MERIDIAN)	10.60	China Railway Major Bridge Engineering Company Limited	50,757,530.62	24
		<b>SUBTOTAL</b>			<b>50,757,530.62</b>	
		<b>TOTAL</b>			<b>236,100,000.00</b>	

The Committee noted the terms and conditions for financing the project and is satisfied with the terms and conditions of the financing arrangement.

The terms and conditions are as stated:

Project Amount	-	US\$236,100,000.00
Facility Amount	-	US\$210,660,000.00  (US\$200.68 million for project and US\$9.96 million for Sinasure premium)
GoG Contribution	-	US\$37,180,000 (US\$35.42 million for the project and US\$1.76 million for Sinasure premium)
Tenor	-	9 years
Grace Period	-	3 years
Interest Rate	-	6M Libor + 2.85% p.a
Commitment Fee	-	1.00% p.a.

## 5.5 Stakeholders Consultations

The Committee was informed by the Minister that consultations had been undertaken with the Ministry of Finance, Office of the Attorney-General, Ministry of Roads and Highways (MRH) through the Department of Urban Roads (the implementing Agency), the relevant Metropolitan and Municipal Assemblies in the Greater Accra Metropolitan Area with support from Supervision Consultants. We were informed that there would be continuous Stakeholder consultations which would involve the Assemblies in the

Greater Accra Metropolitan Area and of opinion leaders within the project area to ensure a smooth implementation of the projects.

#### 5.6 Project Benefits

The Committee observed with keen interest the numerous benefits as enumerated under Paragraph 4 that could be derived from the project and found it worth pursuing as the project would promote the acceleration of the overall economic development of the country.

#### 5.7 Project Responsibility

The Committee noted that the project would be under the responsibility of the Ministry of Roads and Highways (MRH) through the Department of Urban Roads, the implementing agency, with support from Supervision Consultants.

#### 5.8 Technology Transfer

The Committee noted the importance of transfer of technology as one of the keys in addressing sustainability and continuity of development related projects.

The Committee further observed that training and utilizing the Ghanaian locals to take over such projects cannot be overemphasized as it would ensure continuity of productivity whenever the foreign experts leave the country. This would go a long way to improve productivity of labour and industry as well as stimulate activities in other sectors.

The Committee noted that as part of the Project, there will be capacity development of the Employer's staff and setting up of maintenance teams.

## **5.9 Value for Money**

The Committee noted that the Project has already gone through PPA and good procurement system. The Committee edged the Ministry of Finance to ensure Value for Money audit for fair utilization of public financial resources.

## **6.0 CONCLUSION**

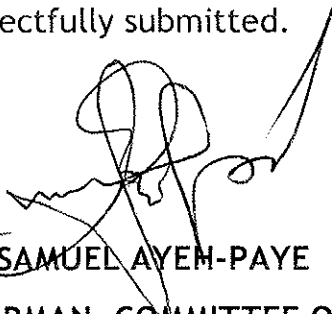
The Committee having examined the Contract Agreements and satisfied with the government desire to bolster the economy through infrastructural development to usher a rapid socio-economic development and akin to oversee social transformation unanimously recommends to the House to adopt its report and approve in accordance with Article 181 of the 1992 Constitution the following Commercial Agreements between the Government of the Republic of Ghana acting through the Ministry of Roads and Highways represented by the Department of Urban Roads (the Employer) and

- i. China Gansu International Corporation for Economic and Technical Cooperation (the Contractor) for an amount of Eighty -Five Million, Three Hundred and Forty-Two Thousand, Four Hundred and Sixty-Nine Dollars and Thirsty- Eight cents (US\$85,342,469.38), for the Accra Metropolitan Area Intelligent Traffic Management and Roads Completion Project - La Beach Road Completion Project Phase I (Tema Road: Independence Arch to Nungua Barrier - 16.00km).**
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Metropolitan Area Intelligent Traffic Management and Roads Completion Project, - La Beach Road Completion Project Phase 2 (Coastal and Meridian Roads- Nungua Barrier to Tema- 10.60km); and

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Respectfully submitted.



MR. SAMUEL AYEH-PAYE  
CHAIRMAN, COMMITTEE ON  
ROADS & TRANSPORT



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