

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

REPORT OF THE FINANCE COMMITTEE

ON THE

FACILITY AGREEMENT

BETWEEN

**THE GOVERNMENT OF THE REPUBLIC OF GHANA
(REPRESENTED BY THE MINISTRY OF FINANCE)**

AND

**DEUTSCHE BANK AG (AS THE ARRANGER AND
ORIGINAL LENDER) AND TMF GLOBAL SERVICES
(UK) LIMITED (AS THE FACILITY ARRANGER)**

***FOR AN AMOUNT OF FIFTY-SIX MILLION, ONE
HUNDRED AND FIFTY-THREE THOUSAND, FIVE
HUNDRED EUROS (€56,153,500.00)***

TO FINANCE

**THE CONSTRUCTION OF TRAUMA HOSPITALS IN
OBUASI AND ANYINAM, AND ACCIDENT AND
EMERGENCY CENTER AT ENYIRESI HOSPITAL AND
REHABILITATION OF OBUASI HEALTH CENTER**

JULY 2020

1.0 INTRODUCTION

The **Facility Agreement** between the **Government of the Republic of Ghana (represented by the Ministry of Finance)** and **Deutsche Bank AG (as the Arranger and Original Lender)** and **TMF Global Services (UK) Limited (as the Facility Arranger)** for an amount of **Fifty-Six Million, One Hundred and Fifty-Three Thousand, Five Hundred Euros (€56,153,500.00)** to finance the construction of **Trauma Hospitals in Obuasi and Anyinam, and Accident and Emergency Center at Enyiresi Hospital and rehabilitation of Obuasi Health Center** was *presented* to the House on Wednesday 1st July 2020 by the Honourable Deputy Minister for Finance, Mr. Charles Adu Boahen on behalf of the Minister responsible for Finance.

Pursuant to Article 103 of the 1992 Constitution and Orders 169 and 171 of the Standing Orders of the House, the Agreement was *referred* to the Committee on Finance for consideration and report.

The Committee subsequently met and discussed the Agreement with a Deputy Minister for Finance, Hon. Mrs. Abena Osei-Asare, a Deputy Minister for Health, Hon. Bernard Okoe Boye as well as officials from the Ministries of Finance and Health.

The Committee hereby submits this report to the House pursuant to Order 161(1) the Standing Orders of the House.

The Committee is grateful to the Honourable Deputy Ministers and the officials from the Ministries of Finance and Health for attending upon and assisting the Committee in its deliberations.

2.0 REFERENCES

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

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

3.0 BACKGROUND

The Government of Ghana is committed to ensuring the provision of health infrastructure to enhance the quality of health services delivery, and also promote universal access to healthcare services in the country. The policy thrust of the Ministry of Health (MoH) is to reduce inequities in access to care and increase coverage, quality and use of health services so as to achieve a healthier national population.

The introduction of the National Health Insurance has enhanced financial access to health services with increasing utilization of Out Patient Department (OPD) services nationwide.

Despite the continuous increase in demand for OPD services in all Regions of the country, the development of health infrastructure has not kept pace with the demand. The demand and Government spending on healthcare and other infrastructure are growing at a pace this is likely to be unsustainable unless new funding sources are found. Also, Managerial strategies for improving quality assurance should be matched with corresponding expansion and improvement in health infrastructure.

The instant project thus falls within Government of Ghana's commitment to upgrade health care infrastructure in the country.

The project is intended to provide ultra-modern health infrastructure to provide the people with enhanced health care delivery. The project also forms part of measures to meet Government's commitment to the provision of universal health care delivery to the people of Ghana in line with Government's vision under the Sustainable Development Goals (SDG 3).

Despite Government's commitment to enhance healthcare infrastructure in the country, inadequate funding has been a big challenge. It is on this note that this credit facility comes at an opportune time to help the Government achieve the objective of the construction of the named Hospitals to enhance health care infrastructure in the country.

3.1 OBJECT OF THE LOAN

The object of the loan is to finance the construction of the required infrastructure, and the provision of medical equipment and ancillary services to ensure that the beneficiary Hospitals are fully operational and befitting their status. It will also provide the enabling condition for attracting the needed healthcare professionals.

4.0 TERMS AND CONDITIONS OF THE LOAN

The financing terms of the Agreement are as presented below:

Facility Amount	€56,153,500.00
Project Cost	€55,000,000.00
Upfront Fee	€825,000.00 (i.e. 1.50% flat of Facility and financed)
Agency Fee	€178,500.00 (financed)
Legal Fee	€150,000.00 (financed)
Tenor	10 years
Repayment Period	8 years
Grace Period	2 years
Interest Rate	7.50% p.a. (fixed)

5.0 PROJECT DESCRIPTION AND SCOPE

The scope of works of the Project includes the following:

5.1 Obuasi and Anyinam Trauma Hospitals

The Obuasi and Anyinam Trauma Hospitals to be constructed under the project will have the following features:

Functional Programme	
<p>Accident and Emergency Department 12-bed triage <u>18-bed Ward for Adults</u> <u>12-bed Ward for Paediatric Emergencies</u> Theatre suite with 2 operating rooms -to be equipped with C-Arm, Flouroscopy and traction devices 4-bed resuscitation area, Treatment and Plaster room</p> <p>Main Theatre Theatre suite with 2 operating rooms 6-bed recovery room 8-bed Intensive Care Unit 6-bed High Dependency Unit</p>	<p>Vehicular Parking 30-capacity Vehicular Car parking Guard House</p> <p>OPD 100-seater capacity waiting area 3no. General Consulting Rooms 2no. Dental Consulting Rooms Dental laboratory ENT Consulting and Treatment rooms Ophthalmology consulting rooms Offices</p>
<p>Imaging area CT-Scan Flouroscopy X-Ray room Ultrasound</p>	<p>Public Health Department 100-seater capacity waiting/Lecture Area 4no. ante-natal and Post-natal Consulting rooms 2no. Paediatric Consulting Rooms 3no. counselling rooms 3no. offices for Public Health Officers Cold chain room</p>
<p>Pharmacy unit Dispensing area, Preparation Room storage, Pharmacist office</p>	<p>Physiotherapy Department Physiotherapist office/consulting room gymnasium Electrotherapy with 3-treatment stations Changing rooms</p>
<p>Laboratory Microbiology Haematology and Chemistry Blood bank offices</p> <p>Administration 8no. Administrative Offices 16-seater boardroom, Server Room and Pantry Library and Conference room</p>	<p>Support Facilities Central Sterilisation and Stores Department (CSSD) Laundry Catering facility with 28-seater staff Canteen Medical Stores Technical Installations Building for water, electricity, waste treatment etc Maintenance Unit</p>
<p>Circulation 1no. Lift(s) 4no.staircases and a central ramp lobbies and lounges</p>	<p>Pathology 30-body capacity mortuary Post-mortem room and related facilities Administrative offices and waiting area</p>
<p>Wards</p>	<p>Maternity 6beds Labour Ward (pre-delivery) 4no. Labour Delivery stations Theatre suite and and 2-bed Recovery room</p>
<p>12-bed Pediatric Ward</p>	

<i>12-bed Male Ward</i>	<i>6-beds Lying-in</i>
<i>12-bed Female Ward</i>	<i>Eclampsia Room</i>
	<i>12-bed Antenatal and PostNatal Ward</i>
Staff Accommodation <i>8 units of 2-bedroom staff accommodation</i> <i>8 units of 3-bedroom staff accommodation</i> <i>1 Parking area for 16 staff vehicles</i>	NICU <i>5-station incubators</i> <i>Staff Monitoring Station</i>

5.2 Retooling and Remodeling of Enyiresi Hospital

1. Design and Construction of a fully functional Hospital not exceeding 2,000 sqm with the requisite services.
2. Supply and installation of Medical Equipment and Fixed Furniture in the Accident and Emergency Centre.
3. Remodeling and Equipping of the Mother and Child Health Department
4. Supply and installation of medical equipment in accordance with agreed list and specifications.
5. Supply and installation of all Fixed Furniture and Equipment (FFE) including medical and non-medical furniture in every facility or space provided to make it fully functional.
6. Installation of ICT Equipment and CCTV.
7. Provision of External Works to include roads, pavements, covered walkways, canopies, covered drains, parking and landscaping and horticultural Works all within the site boundaries.
8. Provision of external lighting by illuminating the area (carparks, courtyards, streets and other partially covered or uncovered areas, walkways etc all within the Site boundaries, to maintain or to improve visual performance of the persons conducting human activities in those spaces as well as for security purposes.
9. Post Construction Maintenance and training

5.3 Retooling and Refurbishment of existing Obuasi Government Hospital, Obuasi Ashanti

1. Refurbishment of the existing Obuasi Government Hospital into an improved facility with the requisite services.
2. Supply and installation of modern Medical Equipment and fix Built-in/Loose Furniture in the refurbished facility.
3. Remodeling and Equipping of the Physiotherapy, Mother and Child Health Departments.
4. Supply and installation of all medical equipment in accordance with agreed equipment list and specifications.
5. Supply and installation of all Fixed Furniture and Equipment (FFE) including medical and non-medical furniture in every facility or space provided to make the facility fully functional.
6. Installation of ICT Equipment and CCTV.
7. Provision of External Works to include roads, pavements, covered walkways, canopies, covered drains, parking and landscaping and horticultural Works all within the site boundaries.
8. Provision of external lighting by illuminating the area (carparks, courtyards, streets and other partially covered or uncovered areas, walkways etc all within the Site boundaries, to maintain or to improve visual performance of the persons conducting human activities in those spaces as well as for security purposes.
9. Post Construction Maintenance and training

6.0 OBSERVATIONS

6.1 Necessity for the Project

The Committee observed that Obuasi in the Ashanti Region and Anyinam in the Eastern Region presently do not have any major Government hospitals. The existing Obuasi Health Center is presently both ill-equipped and inadequate to meet the health needs of the burgeoning population of the catchment area.

Also, the Enyiresi Hospital does not have a modern Accident & Emergency Center even though it is strategically located along the Accra-Kumasi highway.

This Project is thus intended to provide the required infrastructure, medical equipment, ancillary facilities and services to ensure that the beneficiary hospitals are fully operational and befitting the status of modern hospitals with emphasis on trauma. It will also provide the enabling environment for attracting the needed healthcare professionals to the respective Facilities.

6.2 Project Execution Period

As to how long it would take to complete the Project, the Committee was informed that the project is expected to be completed within three (3) years after commencement, *other things being equal*. There will also be an additional 365 days Defect Notification Period (DNP).

6.3 Project included in the 2020 Budget

The Committee observed that the Project forms part of the approved list of priority projects for implementation in 2020 as captured in Appendix 10C of the 2020 Budget and Economic Policy of the Government of Ghana.

It was also noted that the Upfront, Agency and Legal Fees are all financed by the lending Bank under the loan.

6.4 Inadequate Emergency Capacity

The Committee observed that there are only twelve (12) beds at the triage of the Emergency Unit of the Trauma Hospitals to be constructed under the project. It was noted that the number of emergency beds could prove critically inadequate since most critically ill and trauma patients are first treated at the Emergency Unit before being transferred to the regular wards. Non-availability of adequate beds at the Emergency ward could also lead to the turning away of trauma and emergency cases, thus contributing to the phenomenon notoriously referred to as the “no bed syndrome”.

The Committee recommends that going forward, the designs of new hospital projects should incorporate expanded Emergency Units so as to minimize and ultimately eliminate the “no bed syndrome”.

6.5 EPC Contract

The Committee noted that the Engineering, Procurement and Construction (EPC) contract has been negotiated between the Government of Ghana (acting through the Ministry of Health)

and **Universal Hospitals Group Limited** for the implementation of the Project.

The EPC contract is subject to the conclusion of a Value for Money (VFM) audit.

The Committee recommends that the Minister for Health takes steps to formally present the EPC Contract to the House for referral to the appropriate Committee of the House for consideration and report.

CONCLUSION

In recognition of the immense healthcare and other socio-economic benefits to be derived from the Project and in view of the foregoing observations, the Committee respectfully recommends to the House to adopt this report and approve by resolution, the **Facility Agreement** between the **Government of the Republic of Ghana (represented by the Ministry of Finance)** and **Deutsche Bank AG (as the Arranger and Original Lender)** and **TMF Global Services (UK) Limited (as the Facility Arranger)** for an amount of **Fifty-Six Million, One Hundred and Fifty-Three Thousand, Five Hundred Euros (€56,153,500.00)** to finance the construction of **Trauma Hospitals in Obuasi and Anyinam, and Accident and Emergency Center at Enyiresi Hospital and rehabilitation of Obuasi Health Center** 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)


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

26TH MARCH, 2020