

**IN THE SECOND SESSION OF THE EIGHTH  
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 REPRESENTED BY THE GHANA  
HIGHWAY AUTHORITY) AND BNIP-JANSON-ADOWSO  
CONSORTIUM OF NETHERLANDS FOR AN AMOUNT  
OF TWO HUNDRED MILLION EUROS  
(€200,000,000.00) FOR THE CONSTRUCTION OF A  
BRIDGE OVER THE AFRAM RIVER AT ADAWSO -  
EKYI AMANFROM**

PARLIAMENT OF GHANA LIBRARY

**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 REPRESENTED BY THE GHANA HIGHWAY AUTHORITY) AND BNIP-JANSON-ADOWSO CONSORTIUM OF NETHERLANDS FOR AN AMOUNT OF TWO HUNDRED MILLION EUROS (€200,000,000.00) FOR THE CONSTRUCTION OF A BRIDGE OVER THE AFRAM RIVER AT ADAWSO - EKYI AMANFROM**

**1.0 INTRODUCTION**

The Commercial Contract Agreement between the Government of the Republic of Ghana (acting through the Ministry of Roads and Highways and represented by the Ghana Highway Authority) and BNIP-Janson-Adowso Consortium of Netherlands for an amount of Two Hundred Million Euros (€200,000,000.00) for the Construction of a Bridge over the Afram River at Adawso-Ekyi Amanfrom was laid in Parliament on Monday, 20<sup>th</sup> December 2021 by the Hon. Minister for Roads and Highways, Mr. Kwasi Amoako-Atta.

Subsequently, the Contract Agreement was referred to the Committee on Roads and Transport for consideration and report in accordance with Article 103 of the 1992 Constitution of the Republic of Ghana and Order 189 of the Standing Orders of Parliament.

The Committee met the Minister for Roads and Highways, Hon Kwasi Amoako-Atta and Officials from the Ministry on Monday, 10<sup>th</sup> January, 2022 and considered the referral. The Committee is grateful to the Hon. Minister and officials of the Ministry for assisting the Committee in its deliberations.

**2.0 REFERENCE DOCUMENTS**

- i. The 1992 Constitution of the Republic of Ghana.
- ii. The Standing Orders of Parliament.
- iii. The Commercial Contract Agreement between the Government of the Republic of Ghana (acting through the Ministry of Roads and Highways and represented by the Ghana Highway Authority) and BNIP-Janson-Adowso Consortium of Netherlands for an amount of

Two Hundred Million Euros (€200,000,000.00) for the Construction of a Bridge over the Afram River at Adawso - Ekyi Amanfrom

### **3.0 BACKGROUND**

The Government of the Republic of Ghana recognises the important role that accessibility to road infrastructure plays in poverty reduction, fostering regional integration and enhancing economic development through income generation activities that are linked to agriculture and other sectors of the economy.

Agriculture accounts for one-fifth of the country's Gross Domestic Products (GDP). It employs half of the workforce and serves as the main source of livelihood for the majority of its citizens. The transport sector is also essential to agriculture due to the central role it plays in the provision of services and the development of road links for the transportation of farm produce to market centres and for export markets.

The Afram Plains District has tremendous potential to contribute significantly to the improvement of the well-being of its inhabitants and to the food security of Ashanti Region and Greater Accra area. Afram Plains Districts supplies much of Ghana's crop yields to Ghana's largest markets. Presently, the inhabitants of the Districts are virtually cut off from the rest of the country due to limited transportation options to access the corridor. The District is virtually a peninsula cut off on three sides by Volta Lake and on the fourth by lack of connecting roads to the outside world. The only means of transport is by ferry.

The project intervention consist of the construction of Adawso bridge (approximately 3.0km long) linking the Afram Plains with the commercial, administrative, health and educational centres in the region. This will boost the agriculture in the Afram Plains, improve the well-being of its inhabitants and also, foster internal and regional integration. The project is estimated to serve a beneficiary population of about 442,349 people.

The project areas include Kwahu Afram Plains North, South, and Kwahu South Districts of the Eastern Region and Sekyere Afram Plains in the Ashanti region of Ghana. These areas contribute significantly to the food security in Ghana since the project areas supply most of the crop yields to the big markets in Ghana.

#### **4.0 OBJECTIVE OF THE PROJECT**

The main objective of the project is to enhance productivity in the Agriculture sector of the Afram Plains. The project is aimed at constructing the Adawso Bridge over the Afram River to promote agriculture in the Afram Basin along with promoting internal and regional integration.

#### **5.0 SCOPE OF THE PROJECT**

The project involves the construction of a bridge. The bridge project consists of the design and construction of approximately 3.0 km (subject to the topographical survey) of a 2-lane bridge, including service lanes and walk way on one side to connect Adawso and Ekyi Amanfrom in the Eastern Region by BNIP–Janson-Adowso Consortium. The bridge project includes the construction of a new toll plaza.

The scope of services of the bridge shall include;

- Construction of approximately 3.0 km length of a two lane bridge, including service lanes and walk way on one side
- Site clearance
- Earth works
- Construction of various pavement layers inclusive of natural gravel layers, asphalt surfacing and double bituminous surfacing
- Relocation and/or protection of existing services within the road reserve
- Construction of various drainage structures and infrastructure to adequately manage storm-water drainage along the route
- Provision of road furniture, including street lights, signage, crash barriers, fences and line marking along the road, as specified in the contract drawings.

## 6.0 OBSERVATIONS AND RECOMMENDATIONS

### i. Cost of Project

The Committee noted that the total cost for the construction of a bridge over the Afram River is €200,000,000.00. The breakdown is shown in Table 1 below.

Table 1: Bridge Project Budget Summary

<b>COST COMPONENT BREAKDOWN FOR THE BRIDGE</b>		
<b>ITEM</b>	<b>DESCRIPTION</b>	<b>TOTAL PRICE (EUR)</b>
1	Engineering Design including consultancy and soil investigation	€10,000,000.00
2.	Mobilisation and site preparation including camps, site office and storage facilities	€6,500,000.00
3.	Construction of Substructure including foundation and pile cap	€103,000,000.00
4	Manufacturing, supply and installation of composite superstructure including construction of deck and walkway	€72,000,000.00
5.	Bridge furniture (bearings, railings, safety barriers, expansion joints, lighting)	€3,500,000.00
6.	Association works including toll station, weight station	€5,000,000.00
<b>SUBTOTAL</b>		<b>€200,000,000.00</b>

### ii. Project Duration

The project is expected be completed in three years and six months from the commencement date.

### iii. Advance Payment and Advance Payment Guarantee

The Committee noted that a provision has been made for an Advance Payment of 15% of the Accepted Contract Amount. This amount is to be paid after the Contractor has submitted an Advance Payment Guarantee in form and substance, acceptable to the Employer.

**iv. Performance Security**

The Committee noted that as part of the safeguard measures to cause the Contractor to perform on schedule and to specifications, the Contractor is required to provide a Performance Security of 10% Bank Guarantee or a 30% surety bond of the Accepted Contract Amount from a Bank or a Financial institution, acceptable to the Employer.

**v. Retention**

The Committee observed that the limit of Retention Money is 5% of the Accepted Contract Amount. In lieu of deduction of retention, the contractor shall submit a valid Retention Money Bank Guarantee amounting to 5% of the accepted contract amount in form and substance acceptable to the Employer. Percentage of Retention however, is 10% of the value of every Interim Payment Certificate until the limit is reached.

**vi. Variation of Works**

The Committee observed that, even though the project is a design and build one, the Contractor is bound by each variation, unless the Contractor promptly gives notice to the Engineer stating with supporting documents that the Contractor cannot readily obtain the goods required for the variation and that not varying, will reduce the safety or suitability of the Works and also have an adverse impact on the achievement of the Schedule of Guarantees. Again, if the variation will result in the cumulative reduction in the Accepted Contract Amount by more than 15% or triggers a substantial change in the type, sequence or progress of the works, the Engineer must approve a variation before it can be accepted.

**vii. Defects Liability Period**

The Committee noted that the Contract provides for Defects Notification Period of 365 days for this project to be calculated from the date of the Taking over Certificate for the road.

**viii. Right of Access to the Site**

The Committee noted that, the Employer is required to give the Contractor right of access to, and possession of all parts of the site within fourteen (14) days after the approval of the Performance Security and Insurance and not later than the Commencement Date.

**ix. Bills of Quantities (BoQ)**

The Committee took notice of the fact that, a detailed BoQ was not attached to the Contract because the final design for the project is yet to be completed.

**x. Value for Money**

The Committee noted that, the Value for Money (VFM) Audit Report was not attached to the Contract although it is part of the conditions precedent before the Contract could come into full force and effect. The Ministry assured the Committee that it would furnish it with copies of the VFM report upon completion.

**xi. Insurance for the Project**

The Committee observed that, the minimum amount of third party insurance is €100,000.00 per occurrence with the number of occurrence unlimited. Again, the period for submission of evidence of insurance and relevant policies is fourteen (14) days and twenty-eight (28) days respectively after the Commencement Date.

**xii. Local Content**

The Committee observed that in line with the local content policy, 30% of works have been reserved for Ghanaian contractors, indigenes and other skilled workers. Provision has also been made for the purchase and usage of local materials to boost the economy.

**xiii. Construction of a Toll Plaza**

The Committee noted that the construction of a toll plaza forms part of the scope of the project. The Committee sought to find out whether this aspect of the project was still relevant particularly given that the policy in respect of road tolls has been abolished nationwide.

The Committee was however informed that, discussions on road tolls are still ongoing and will be concluded when the E-levy consultations are finalised. The Committee was further informed that the construction of the toll plaza could be reviewed and utilised for other purposes.

**xiv. Financial Impact**

The Committee observed that the commercial contract sum for this project will be fully paid from the proceeds of the loan to be contracted by the Ministry of Finance on behalf of the Republic of Ghana. The Committee noted that this project was factored in the assessment which informed Government's Medium-Term Debt Strategy (MTDS) and consequently determined government's borrowing plan for the medium term. The relevant information is published as Appendix 10c of the 2021 Budget Statement and Economic Policy of Government. The Committee noted that fiscal impact of the project was incorporated in the 2021 Budget.

**xv. Stakeholder Consultation**

The Committee was informed that, broad inter-ministerial stakeholder consultations have been held among the following Ministries from project preparation through negotiation of the terms and conditions of the contract and the arrangements for implementation.

- i. Ministry of Finance;
- ii. Ministry of Justice and the Attorney Generals Department;
- iii. Ministry of Local Government, Decentralisation and Rural Development (MLGRD);
- iv. Ministry of Food and Agriculture (MOFA);



- v. Ministry of Chieftaincy;
- vi. Ministry of Works and Housing (MWH) through the Hydrological Service and Water Resources Commission (WRC);
- vii. Ministry of Transport through the Volta Lake Company Limited;
- viii. Ministry of Lands and Natural Resources through the Forestry Commission, Lands Valuation Division and Forest Services Division;
- ix. The Ministry of Environment through Environmental Protection Agency;
- x. Ministry of Roads and Highways; and
- xi. The Implementing Agency, Ghana Highway Authority.

The Committee was further assured that stakeholder consultations would subsequently be widened to include Assemblies, opinion leaders and project affected persons.

## 7.0 CONCLUSION

The Committee arrived at the conclusion that the construction of a Bridge over the Afram River at Adawso-Ekyi Amanfrom will undoubtedly, enhance the movement of people and promote trade, which will impact positively on the socio-economic development of the populace within and outside the District.

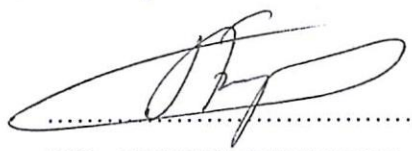
The Committee hereby recommends to the House, to adopt its report and approve the Commercial Contract Agreement between the Government of the Republic of Ghana (acting through the Ministry of Roads and Highways and represented by the Ghana Highway Authority) and BNIP-Janson-Adowso Consortium of Netherlands for an amount of **Two Hundred Million Euros (€200,000,000.00)** for the Construction of a Bridge over the Afram River at Adawso - Ekyi Amanfrom.

Respectfully submitted.

PARLIAMENT OF GHANA LIBRARY



.....  
**MR. KENNEDY OSEI NYARKO**  
**CHAIRMAN, COMMITTEE ON**  
**ROADS AND TRANSPORT**



.....  
**MS. JANET FRIMPONG**  
**CLERK, COMMITTEE ON ROADS**  
**AND TRANSPORT**