



**MINISTRY
OF
ROADS AND
HIGHWAYS**

P. O. Box M57, Ministries – Accra

Digital Address: GA-107-2101

Kindly quote this number and date on all correspondence

My Ref. No. MRH/MA/102/303/01

Your Ref. No. _____

Date. 18th July 2022

**REQUEST FOR PARLIAMENTARY APPROVAL-
CONSTRUCTION OF BRIDGES AT BUIPE, YAPEI AND DABOYA IN NORTHERN GHANA**

1. We forward herewith three hundred (300) copies of the joint Memorandum to Parliament signed by the Hon. Ministers of Roads and Highways and Finance, requesting Parliament to approve the under listed agreements:
 - A. The Commercial Contract of Eighty-Eight Million Euros (€88,000,000.00) between the Republic of Ghana represented by the Ministry of Roads and Highways and QGMI CONSTRUCCIONES E INFRAESTRUCTURAS GLOBALES S.L.U (the Project).
 - B. The Export Credit Agency Facility of €97,721,615.91 between the Republic of Ghana represented by the Ministry of Finance and Standard Chartered Bank (as the Arranger, the Structuring Bank, the Agent and the Original Lender); with export credit guarantee from Compania Espanola de Seguros de Credito a la Exportacion, S. A, (CESCE) to partly finance the Project cost and cost of the CESCE insurance premium; and
 - C. The Commercial Facility Agreement of €4,527,063.54 between the Republic of Ghana represented by the Ministry of Finance and Standard Chartered Bank (as Arranger, Structuring Bank, Agent and Original Lender) to partly finance the Project cost and the financing costs and expenses payable by the Borrower.
2. Kindly arrange and lay the above-mentioned agreements before Parliament for consideration and approval.
3. We count on your usual cooperation.


ING. DR. ABASS M. AWOLU
CHIEF DIRECTOR
FOR: MINISTER

**THE CLERK TO PARLIAMENT
PARLIAMENT HOUSE
ACCRA**

CC: Hon. Minister, MRH
Hon. Minister, MOF
Chief Director, MOF

**Encl: 300 copies of the Memorandum to Parliament
300 copies each of Commercial Contract
300 copies each of the Facility Agreement**

Tel: +233 (0) 302 962 890
Email: info@mrh.gov.gh
Website: www.mrh.gov.gh



Republic of Ghana

JOINT MEMORANDUM TO PARLIAMENT

BY

KEN OFORI ATTA
THE MINISTER FOR FINANCE

AND

HON. KWASI AMOAKO-ATTAH (MP)
THE MINISTER FOR ROADS AND HIGHWAYS

FOR

**APPROVAL OF COMMERCIAL AND CREDIT FACILITY
AGREEMENTS FOR THE CONSTRUCTION OF BRIDGES AT BUIPE,
YAPEI AND DABOYA IN NORTHERN GHANA**



July 2022

1.01.0 DECISION REQUESTED

Parliament is respectfully invited to consider and approve the under listed agreements:

- A. The Commercial Contract of Eighty-Eight Million Euros (€88,000,000.00) between the Republic of Ghana represented by the Ministry of Roads and Highways and QGMI CONSTRUCCIONES E INFRAESTRUCTURAS GLOBALES S.L.U (the Project).
- B. The Export Credit Agency Facility of €97,721,615.91 between the Republic of Ghana represented by the Ministry of Finance and Standard Chartered Bank (as the Arranger, the Structuring Bank, the Agent and the Original Lender); with export credit guarantee from Compania Espanola de Seguros de Credito a la Exportacion, S. A, (CESCE) to partly finance the Project cost and cost of the CESCE insurance premium; and
- C. The Commercial Facility Agreement of €4,527,063.54 between the Republic of Ghana represented by the Ministry of Finance and Standard Chartered Bank (as Arranger, Structuring Bank, Agent and Original Lender) to partly finance the Project cost and the financing costs and expenses payable by the Borrower.

2.0 PROJECT 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 Ghana. Under this 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 major box culverts and bridges over water crossings to reduce the bottlenecks on the Nation's road network.

The current data on the Ghana Highway Authority's National Bridge inventory indicate that a total of 350 bridges; consisting of 100 steel bridges whilst the remaining 250 bridges are concrete and composite. Seventy-six (76) percent of these bridges are in fair to poor condition.

During the implementation of the "Road Sub-Sector Development Programme (RSDP)" from 2001 to June 2008, six (6) major bridges were constructed with support from the Arab Bank for the Economic Development of Africa (BADEA). The bridges are: Afranso Bridge (ASR), Jomoro Bridge (WR), Ofoase Bridge (ER), Hiawa Bridge (ER), Bridge on Suskuliga River at Nayoko (NR) and Bridge on Tintaraga River at Ngane (NR).

The Government of Ghana (GOG) with a Mixed-Credit facility from the Danish International Development Agency (DANIDA) has also constructed permanent bridge structures at various sites of critical importance for the development of the Upper East and Upper West regions of Ghana. The bridges are:

- 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

Over the last few years, defects such as cracking, depression, spalling and fatigue failure of the deck and corrosion of steel members due to water leakage through the deck slab joints have been observed from inspections carried out on the Buipe and Yapei bridges. The situation is getting very serious as deterioration progresses quickly with imminent risk of the bridges becoming impassable. The non-existing bridge at Daboya over the White Volta river present enormous connectivity challenges in the Northern and Savannah Regions

The Buipe, Yapei and Daboya bridges will considerably open up and improve accessibility countrywide and to our neighbouring countries.

2.1 The Buipe and Yapei Bridges

The National Route Ten (N10) Highway is a major route which connects Kumasi (the second largest city in Ghana) the capital of the Ashanti Region with Tamale the capital of the Northern Region. This is the main transportation route for goods and passengers to access the northern part of Ghana.

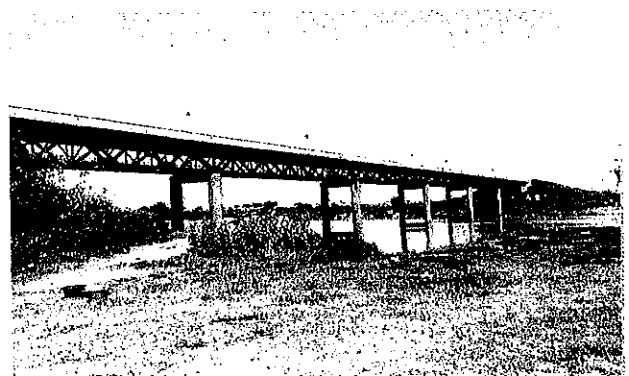
The section between Kintampo and Tamale has two main bridges located at Buipe and Yapei. These bridges are over the Black and White Volta respectively. These bridges were constructed in 1964 by Cementation International a UK based company. The bridges are of similar type consisting of six span and lengths of 230metres each. The bridges have reinforced concrete slab rigidly connected to steel trusses. The reinforced concrete decks are supported on reinforced concrete abutments and two reinforced concrete pier supports.

Over the years the bridges have developed structural problems. The reinforced concrete decks are in a bad condition especially with the details of the open plate joints. There is also substantial corrosion of the steel trusses (flanges of the upper chord) component.

Current assessment of the bridges has established the following:

- Development of excessive stresses in bridge members resulting in the recurrence of crushing of the concrete of the deck slab due to increased axle loads.
- Excessive stresses have caused the concrete to crack at deck slab joints.
- Loss of concrete cover at joints and loss of protective coating of steel members have accelerated deterioration of rebars and steel members.
- The existing bridges over the Black Volta at Buipe and the White Volta at Yapei have both exceeded its useful life and is hanging on precariously.

Existing Buipe Bridge



2.2 The Daboya Bridge

The Ghana Highway Authority intends to construct a bridge over the White Volta River at Daboya. The proposed bridge would provide direct road connectivity between Daboya and Tamale via Tolon on the IR10 route.

Daboya is a town on the banks of the White Volta River in the Savannah Region. It was an important salt mining and trading centre in northern Ghana. For decades, canoe services have provided the means of transportation necessary for these activities.

Presently, the existing crossing over the White Volta River are:

- (i) a weak Irish drift that is submerged most of the year and
- (ii) arranged canoe services which are unreliable.

The proposed bridge would provide a direct road link between Daboya and Tamale via Tolon on the IR10 route. The link would impact significantly on the road network in the northern sector. The existing 137.2 kilometers Daboya - Busunu - Tamale route would be replaced by the 62.5 kilometers Daboya - Tolon - Tamale route.

3.0 PROJECT DESCRIPTION

The project involves the design and construction of Concrete Bridges over the White and Black Volta Rivers at Buipe and Yapei respectively to replace the existing dilapidated ones as well as a new Bridge over the White Volta at Daboya.

3.1 Project Objectives

The overall objective of the project is to develop an efficient and integrated transport network for the safe movement of people and goods. The specific objectives are:

- i) To connect southern and northern Ghana.
- ii) To facilitate trade, transit and transport between Ghana and its neighbouring countries.
- iii) To satisfy the basic human needs by increasing access to markets, hospitals, schools and other social/cultural facilities which are greatly hampered due to lack of bridges at river crossing points.
- iv) To remove traffic bottleneck at river crossings and improve the movement of goods and people within the areas of influence and
- v) To contribute to economic development and alleviation of poverty.

3.2 Scope of Services

- a. *Undertake geotechnical investigations;*
- b. *Undertake topographical survey* in accordance with MRH Standard Specification for Road and Bridge works;
- c. *Undertake the design of the bridges including:*
 - i. Detailed engineering design of the bridges and approach roads using the following design parameters ;

- Bridges of widths of 12.5m and approximate lengths of 240m
- Effective Temperature range +8°C and 51°C
- Seismic Loading taken as 8% total dead load
- Bridges decks and girders with reinforced concrete units and/or composite decking with steel girder system or reinforced concrete piers and abutment

ii. Production of construction and design drawings; as well as

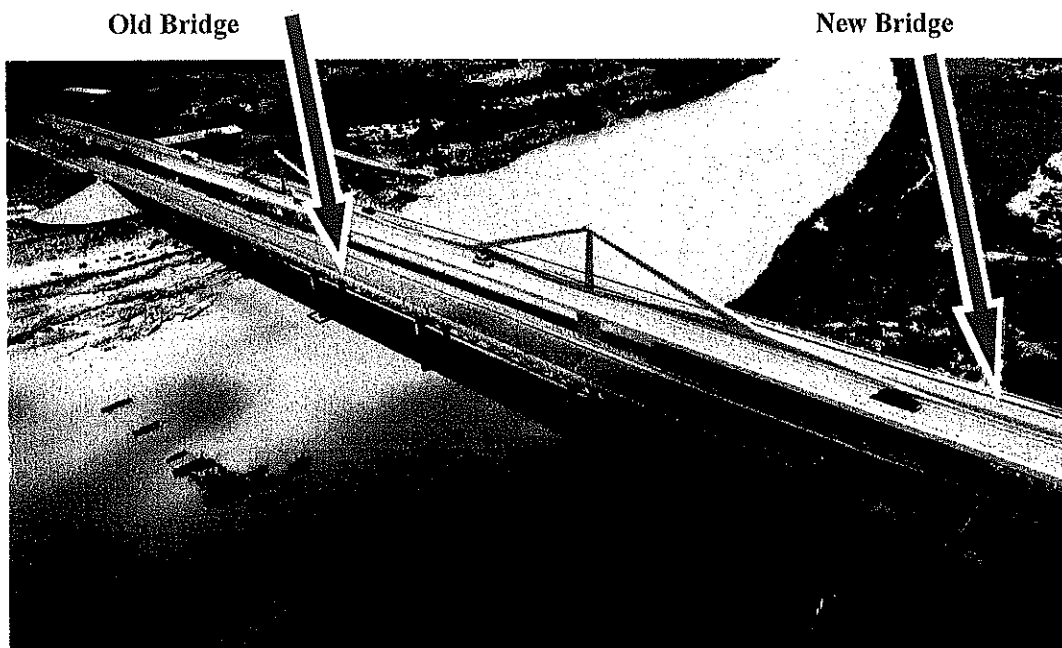
iii. Provide a maintenance manual for the completed new bridges.

e. Use of the following design criteria

The designs of the bridges were in accordance with:

- MRH Standard Specification for Road and Bridge Works
- Pavement Design Manual
- Road Design Guide
- Loads for Highways and Bridges
- Standard Details, Road Signs and Markings for Urban and Trunk Roads
- GHA Test Manual
- ISO 9001 – Quality Management Systems ;
- Eurocode 0, 1, 2, 3 and 4 for Design of Structures, Concrete, Steel and Composite Structures.

The new bridges shall be constructed on new alignments close to the existing bridges and shall be linked to the existing alignment. The existing bridges shall be maintained during the construction of the new bridges.



Proposed New Bridge adjacent to Existing Bridge

3.2 Project Cost

The estimated total project cost for the design and construction of the three bridges is Eighty-Eight Million Euros (€88,000,000.00). The breakdown of the cost is as shown in the Table below.

Table 3.1: Summary of Cost Breakdown

		BUIPE	YAPEI	DABOYA	GRAND TOTAL
Item	Description	Amount (EURO)	Amount (EURO)	Amount (EURO)	Amount (EURO)
1.	Project Design	€ 1,206,619.02	€ 1,226,885.50	€ 1,417,245.50	€ 3,850,750.02
	Mobilization and Camp Site	€ 482,647.61	€ 490,754.20	€ 566,898.20	€ 1,540,300.01
3.	Bridge				
3.1	Foundation	€ 3,979,762.57	€ 4,042,134.51	€ 4,631,721.07	€ 12,653,618.15
3.2	Abutments and Columns	€ 2,653,175.04	€ 2,694,756.34	€ 3,087,814.04	€ 8,435,745.43
3.3	Composite Structure	€ 15,422,186.71	€ 15,653,336.39	€ 16,982,977.25	€ 48,058,500.34
3.4	Miscellaneous	€ 795,952.52	€ 808,426.90	€ 926,344.22	€ 2,530,723.63
4.	Road Works	€ 2,653,175.04	€ 2,694,756.34	€ 2,818,995.84	€ 8,166,927.23
5.	Provisional Sums for the Employer's supervision	€ 815,952.26	€ 815,952.26	€ 815,952.26	€ 2,447,856.77
	Subtotal (A)	€ 28,009,470.77	€ 28,427,002.44	€ 31,247,948.37	€ 87,684,421.58
	TRAINING (Provisional Sum) (B)			€ 315,578.40	
	GRAND TOTAL (A) + (B)			€ 88,000,000.00	

4.0 PROJECT DURATION

The projects is estimated to be completed within a period of twenty-four (24) months from the commencement date.

5.0 FINANCING DETAILS

The two facility agreements seek to finance the total cost of the project and its related financing cost. Standard Chartered Bank is structuring an export credit facility with export credit guarantee Compañia Espanola de Seguros de Credito a la Exportacion, S. A, (CESCE).

This financing of the project was factored in the assessment which informed the Government's Medium-Term Debt Strategy (MTDS) and consequently determined the government's borrowing plan for the medium term and published as Appendix 10c of 2021 Budget (and also repeated in 2022 Budget).

Disbursement of funds for the project is expected to start in 2022 and will cover 36 months. The related debt service payments will form part of each fiscal year's budget until the facilities are fully repaid.

The summary of the terms and conditions of the two credit facility agreements is as follows:

A. Summary of the ECA Facility agreement

Facility Amount	Up to €97,721,615.91 (o/w €85,066,666.67 is to fund the project and €12,654,949.26 is for the CESCE premium)
Interest rate	6M EURIBOR + 1.40% p.a.
Grace period	3 years
Repayment period	10 years
Tenor	13 years
Commitment fee	0.50% p.a.
Structuring fee	1.00% flat (financed upfront)
Arrangement fee	0.50% flat (financed upfront)
ECA premium	13.0% flat of the facility amount
All-in-cost	3.61% p.a.

B. Summary of the Commercial Facility agreement

Facility Amount	Up to €4,527,063.54 (o/w: €2,933,333.33 is to fund the project, €1,533,730.19 is to fund the upfront fee and €60,000 is to cover the legal fee)
Interest Rate	6M EURIBOR + 5.75% p.a.
Grace period	1 year
Repayment period	4 years
Tenor	5 years
Commitment fee	1.00 % p.a.
Structuring fee	1.00% flat (financed upfront)
Arrangement fee	0.50% flat (financed upfront)
All-in-cost	6.48% p.a.

6.0 JUSTIFICATION FOR GOVERNMENT'S INTERVENTION

The socio-economic implications of not addressing the problem include the following:

- i. Loss of valuable productive work due to the long travel time that would be involved in using alternate routes.
- ii. Increased cost for time-sensitive, perishable deliveries (e.g. farm produce) that are transported across the bridges.
- iii. Disruption of international vehicular traffic to landlocked countries.
- iv. High cost and frequency of rehabilitation works to make the bridges safe for vehicles and pedestrians.
- v. Fatigue, stress and frustration of the travelling public for the long travel times through alternate routes (close to 3 hours).
- vi. Increased Transport costs for households and businesses that have to make the long detours through alternate routes.

The benefits to be derived from implementing this project include the following:

- Transport services will be provided with the construction of bridges over river crossing points, thus goods and passengers can be transported much easier. All-year-round access to schools, hospitals and markets will be provided thus eliminating interruptions in transporting people, farm produce and other items during the rainy seasons.
- Long detours will be reduced. The construction of bridges eliminates long detours resulting in reduced transport cost and travel time.
- More markets will be accessed. Accessing more markets with the elimination of traffic bottlenecks is expected to result in a significant increase in the incomes of the people living along and within the project areas.
- The projects undoubtedly will have positive socio-economic impacts and improve the living conditions of the people living in the zone of influence. The projects will also improve the well-being of the local population through improved access to socio-economic facilities and markets. Furthermore, the improved condition of the road network and associated facilities will result in substantial improvement in the transportation of goods and people in and outside those areas.

8.0 INSTITUTIONAL ARRANGEMENT

The Project will be implemented on a Design and Build Contract basis. The Ministry of Roads and Highways shall have the overall responsibility and the Ghana Highway Authority (GHA) shall be the implementing Agency with support from a Supervising Consultant.

The Ghana Highway Authority (GHA) will be the executing agency for the project based on its legal mandate, experience and capacity to implement the proposed programme. GHA was established by Act 539 (1997), as an autonomous authority responsible for the administration, control, development and maintenance of trunk roads and related facilities. It is governed by a Board of Directors. The GHA has a Bridge Division constituting experienced and dedicated staff.

9.0 LEGISLATION/REGULATORY PLAN

In accordance with Article 181 of the 1992 Constitution, Sections 55(1) and 56(1) of the Public Financial Management Act, 2016 (Act 921) and the conditions of the Credit Facility, Cabinet and Parliamentary approvals and a Legal Opinion on the Facility are required to be submitted to the Bank in satisfaction of part of the conditions precedent to the effectiveness of the Export Credit Facility.

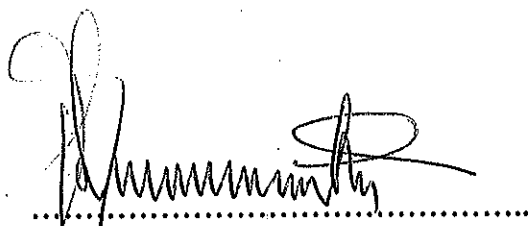
10.0 INTER-MINISTERIAL/AGENCY CONSULTATIONS

Extensive consultations have been held with the Ministry of Finance, Attorney-General's Department, Ministry of Local Government and Rural Development (MLGRD) through the

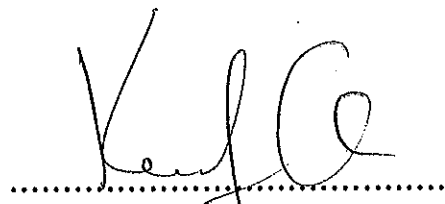
Extensive consultations have been held with the Ministry of Finance, Attorney-General's Department, Ministry of Local Government and Rural Development (MLGRD) through the MMDAs, Ministry of Food and Agriculture (MOFA), Ministry of Chieftaincy, Ministry of Works and Housing (MWH) through the Hydrological Services, Ministry of Transport and the Volta Lake Transport Company, Ministry of Lands and Natural Resources through the Forestry Commission (FC), Lands Valuation Division (LVD) and Water Resources Commission (WRC), Ministry of Energy through Bulk Oil Storage Transportation Company (BOST), Ministry of Roads and Highways, and the Implementing Agency, the Ghana Highway Authority. Broader consultations would be done within the project stakeholders in the project location to ensure the successful implementation of the Project.

11.0 CONCLUSION

In view of the immense safety benefits and the enhancement of the quality of life of road users that would be derived from the construction of the Buipe and Yapei bridges on Ghana most used and busiest national trunk road and the important alternative shortest route to the central corridor in the northern part of Ghana through Daboya, Parliament is respectfully invited to consider and approve this Commercial and Credit Facility Agreements as legally mandated



.....
KWASI AMOAKO-ATTAH (MP)
MINISTER FOR ROADS & HIGHWAYS



.....
KEN OFORI-ATTA
MINISTER FOR FINANCE

DATED ^{18TH}..... July 2022

APPENDICES

Copies of the following documents are attached as appendices to this Memorandum:

Appendix 1 – Financing Agreements between the Government of Ghana and SCB

Appendix 2 – Commercial (Contract) Agreement between the Ministry of Roads and Highways and QGMI CONSTRUCCIONES E INFRAESTRUCTURAS GLOBALES S.L.U

Appendix 3 – Executive Approval



REPUBLIC OF GHANA

OFFICE OF THE PRESIDENT

SECRETARY TO THE PRESIDENT

Jubilee House, Accra

Tel: +233 (0) 302 738 600

Tel: +233 (0) 302 738 601

Digital Address : GA-000-0288

Ref. No.

05182/22/77

13th July, 2022

Honorable Minister:

RE: REQUEST FOR EXECUTIVE APPROVAL FOR THE COMMERCIAL AND CREDIT FACILITY AGREEMENTS FOR THE CONSTRUCTION OF BRIDGES

I refer to your letter dated 13th July, 2022 with reference number MRH/MA59/60/01 and the Joint Cabinet Memorandum dated 25th May, 2022, in respect of the above subject matter.

The President has granted approval for the following agreements:

- (a) The Commercial Contract of Eighty-Eight Million Euros (€88,000,000.00) between the Republic of Ghana represented by the Ministry of Roads and Highways and QGMI CONSTRUCCIONES E INFRAESTRUCTURAS GLOBALES S.L.U. (the Project);
- (b) The Export Credit Agency Facility of Ninety-Seven Million, Seven Hundred and Twenty-One Thousand, Six Hundred and Fifteen Euros and Ninety-One Cents (€97,721,615.91) between the Republic of Ghana represented by the Ministry of Finance and Standard Chartered Bank (as Arranger, the Structuring Bank, the Agent and the Original Lender), with export credit guarantee from Compania Espanola de Seguros de Credito a la Exportacion, S.A., (CESCE) to partly finance the Project cost and cost of the CESCE insurance premium; and
- (c) The Commercial Facility Agreement of Four Million, Five Hundred and Twenty-Seven Thousand, and Sixty-Three Euros and Fifty-Four Cents (€4,527,063.54) between the Republic of Ghana represented by the Ministry of Finance and Standard Chartered Bank (as Arranger, Structuring Bank, Agent and Original Lender) to partly finance the Project cost and the financing costs and expenses payable by the Borrower.

I shall be grateful if you could take requisite action on the above.

NANA BEDIATUO ASANTE
SECRETARY TO THE PRESIDENT

THE HON. MINISTER
MINISTRY OF ROADS AND HIGHWAYS
ACCRA

ATTN: HON. KWASI AMOAKO-ATTAH, MP

Cc: The Vice President
Jubilee House, Accra

The Chief of Staff
Jubilee House, Accra

The Hon. Minister
Ministry of Finance, Accra

