

IN THE SECOND SESSION OF THE THIRD PARLIAMENT OF
THE FOURTH REPUBLIC OF GHANA

REPORT OF THE FINANCE COMMITTEE ON THE
REQUEST FOR TAX EXEMPTIONS IN RESPECT OF THE
REHABILITATION AND DISTRIBUTION IMPROVEMENT
OF THE WESTERN ACCRA AREA AND WEIJA
REMEDIAL WORKS CONTRACT I.C

1.0 INTRODUCTION

The above-mentioned Request was laid in the House on Friday 29th November 2002 and referred to the Finance Committee for consideration and report in accordance with the Constitution and Standing Orders of the House.

To consider the Bill, the Committee met with the Hon. Minister of Works and Housing Hon. Yaw Barimah, Deputy Minister Ms. Theresa Tagoe and a technical team from the Ministry of Works and Housing and reports as follows:

2.0 BACKGROUND

The Government of Ghana secured a Mixed Credit Facility of an amount of Euro 13,715,507.21 (Thirteen Million, Seven Hundred and Fifteen Thousand Five Hundred and Seven, and Twenty-One Euros) from the Danish Government, under which a Water Sector Program Support comprising of the distribution and improvement of Accra-Tema water supply as well as the Weiya Dam remedial works is to be undertaken.

Under the agreements, there are articles stipulating that the project, income of the contractor, specified expatriate personnel and expatriate subcontractors, machinery and equipment and all other specified project related items are to be exempted from all forms of duties, taxes, and fiscal levies in the Republic of Ghana.

The project, which involves the improvement of the provision of portable water to the western parts of Accra and its surrounding areas, is to be undertaken by Messrs Ballast Nerdam B. V. of Netherlands.

The tax exemptions sought under this agreement falls into three categories.

- ❖ The first category seeks to exempt all materials and equipment imported by, or supplied to the contractor for the execution of the project from import duties, taxes, national or other public charges.

- ❖ The second category seeks to exempt expatriate personnel from the payment of income taxes or any other direct tax or charge in respect of any emoluments paid to them.

- ❖ The third category seeks to exempt expatriate Subcontractors and their specified personnel from the payment of income taxes or any other direct tax or charge in respect of any emoluments paid to them.

Attach are copies of the relevant Articles stipulating the tax exemptions titled **Appendixes I to III** and a list of materials and equipment to be exempted, titled **Appendix IV**.

3.0 OBSERVATIONS

The Committee was informed that should these exemptions not be granted, any duties and taxes paid by the Contractors, sub contractors and expatriate personnel would have to be refunded by the Government of Ghana including any interest, penalties and exemptions payable or incurred in connection therewith.

The Committee noted that in order to avoid incurring debt as a result of the interest that is likely to accrue on the taxes, it has become necessary to seek approval from the House to waive the payment of the required duties and taxes on the specified equipment, spares, personal effects and materials being used for the execution of the project, as provided for under the contract agreements.

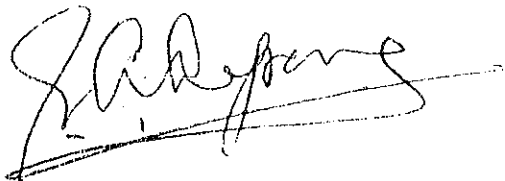
The Committee also observed that the total amount of tax and duty exemptions claimed under the Agreement in respect of specified materials, equipment, specified expatriate personnel, the expatriate subcontractors and their specified personnel and all other specified project related items for the project is estimated to be **Euros 3,973,766.19**.

4.0 RECOMMENDATIONS

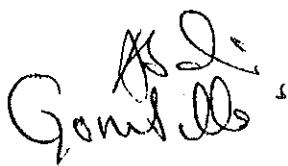
In view of the above observations, the Committee recommends to the House the adoption of the report and

approval by resolution, the exemption from taxes amounting to Euros 3,973,766.19 (Three Million, Nine Hundred and Seventy-Three Thousand, Seven Hundred and Sixty-Six Euros and Nineteen Cents) on equipment and other materials to be used for the rehabilitation and distribution improvement of the Western Accra and Weija Remedial Works as well as all taxes and levies in relation to income and personal effects of expatriate personnel, including contractors and subcontractors, in accordance with Article 174(4) of the Constitution.

Respectfully Submitted.



HON EUGENE ATTA AGYEPONG
(CHAIRMAN)



ALHAJI IBRAHIM GOMBILLA
(CLERK)

18TH December 2002

APPENDIX IV

PROJECT EQUIPMENT AND MATERIALS FOR ACCRA-TEMA WATER PROJECT CONTRACT 1C TAX ASSESSMENT.

ITEM	QTY	UNIT PRICE	FOB	FREIGHT	INS	CIF	Rate	Import Duty	Rate	Import VAT	Rate	ECO/Levy	Rate	EDIF	Rate	Inspect Fee	Total Tax
concrete mixers	2	12,388.50	24,777.00	4,646.00		74.00	29,497.00	0%	12.5%	3,687.13	0.5%	147.49	0.5%	147.49	1%	294.97	4,277.07
Generator sets	5	2,668.20	13,341.00	2,501.00		40.00	15,862.00	0%	12.5%	1,985.25	0.5%	79.41	0.5%	79.41	1%	158.82	2,302.89
Tipper truck	2	55,842.50	111,685.00	20,941.00		332.00	132,958.00	10%	12.5%	18,281.73	0.5%	664.79	0.5%	664.79	1%	1329.58	34,236.89
Light truck	1	17,725.00	17,725.00	3,323.00		53.00	21,101.00	10%	12.5%	2,901.39	0.5%	105.51	0.5%	105.51	1%	211.01	5,433.51
Tractor and access	2	26,682.00	53,364.00	10,006.00		159.00	63,529.00	0%	0%		0.5%	317.65	0.5%	317.65	1%	635.29	1,270.58
Air compressor	1	36,326.00	36,326.00	6,811.00		108.00	43,245.00	10%	12.5%	5,946.19	0.5%	216.23	0.5%	216.23	1%	432.45	11,135.59
Welding generators	10	16,170.00	161,700.00	25,468.00		404.00	187,572.00	0%	0%		0.5%	937.86	0.5%	937.86	1%	1875.72	3,751.44
Track excavator	1	147,076.00	147,076.00	27,577.00		438.00	175,091.00	0%	0%		0.5%	875.46	0.5%	875.46	1%	1750.91	3,501.82
Backhoe excavator	2	131,600.00	263,200.00	41,454.00		658.00	305,312.00	0%	0%		0.5%	1,526.56	0.5%	1,526.56	1%	3053.12	6,106.24
Vibrator Roller	2	6,575.00	13,150.00	2,466.00		39.00	15,655.00	10%	12.5%	2,152.56	0.5%	78.28	0.5%	78.28	1%	156.55	4,031.16
Station wagon 4x4	1	35,280.00	35,280.00	5,557.00		88.00	40,925.00	10%	12.5%	5,627.19	0.5%	204.63	0.5%	204.63	1%	409.25	10,538.19
Pickup (4x4) Toyota	5	23,520.00	117,600.00	18,522.00		294.00	136,416.00	10%	12.5%	18,757.20	0.5%	682.08	0.5%	682.08	1%	1364.16	35,127.12
Saloon Cars	2	29,265.00	58,530.00	9,216.00		146.00	67,892.00	5%	12.5%	8,910.83	0.5%	339.46	0.5%	339.46	1%	678.92	13,663.27
City Bus	1	30,240.00	30,240.00	4,763.00		76.00	35,079.00	5%	12.5%	4,604.12	0.5%	175.40	0.5%	175.40	1%	350.79	7,059.95
Jackhammers	5	808.00	4,040.00	758.00		12.00	4,810.00	10%	12.5%	661.38	0.5%	24.05	0.5%	24.05	1%	48.1	1,238.58
Scaffolding	1	61,179.00	61,179.00	11,471.00		182.00	72,832.00	10%	12.5%	907.38	0.5%	364.16	0.5%	364.16	1%	728.32	8,739.84
Pumpset	3	2,032.67	6,098.01	1,143.00		18.00	7,259.01	0%	0%		0.5%	36.30	0.5%	36.30	1%	72.5901	1,062.56
civil tools	2	5,717.50	11,435.00	2,144.00		34.00	13,613.00	10%	12.5%	1,871.79	0.5%	68.07	0.5%	68.07	1%	136.13	3,505.35
Electrical tools	1	5,718.00	5,718.00	1,072.00		17.00	6,807.00	10%	12.5%	935.96	0.5%	34.04	0.5%	34.04	1%	68.07	1,752.80
Workshop equipment	1	6,861.00	6,861.00	1,286.00		20.00	8,167.00	10%	12.5%	1,122.96	0.5%	40.84	0.5%	40.84	1%	81.67	2,103.00
Mechanical tools	1	7,624.00	7,624.00	1,429.00		23.00	9,076.00	10%	12.5%	1,247.95	0.5%	45.38	0.5%	45.38	1%	90.76	2,337.07
Wheelloaders	1	13,722.00	13,722.00	2,573.00		41.00	16,336.00	10%	12.5%	2,246.20	0.5%	81.68	0.5%	81.68	1%	163.36	4,206.52
Vibrator Unit/poker	8	1,238.75	9,910.00	1,858.00		29.00	11,797.00	0%	12.5%	1,474.63	0.5%	58.99	0.5%	58.99	1%	117.97	1,710.57
Trowel machine	2	2,668.50	5,337.00	1,001.00		16.00	6,354.00	10%	12.5%	873.68	0.5%	31.77	0.5%	31.77	1%	63.54	1,636.16
Pipe Cutter/Petrol eng	4	667.00	2,668.00	500.00		8.00	3,176.00	10%	12.5%	436.70	0.5%	15.88	0.5%	15.88	1%	31.76	817.82
Bevel machine	1	4,117.00	4,117.00	772.00		12.00	4,901.00	10%	12.5%	673.89	0.5%	24.51	0.5%	24.51	1%	49.01	1,262.01
Holiday detector	1	1,868.00	1,868.00	350.00		6.00	2,224.00	10%	12.5%	305.80	0.5%	11.12	0.5%	11.12	1%	22.24	572.68
Lab Equipment	1	8,576.00	8,576.00	1,608.00		26.00	10,210.00	10%	12.5%	1,403.88	0.5%	51.05	0.5%	51.05	1%	102.1	2,629.08
Winch	1	12,235.00	12,235.00	2,294.00		36.00	14,565.00	0%	0%		0.5%	72.83	0.5%	72.83	1%	145.65	291.30
Forklift	1	23,481.00	23,481.00	4,403.00		70.00	27,854.00	0%	0%		0.5%	139.77	0.5%	139.77	1%	279.54	569.08
Tyres and spares	1	65,753.00	65,753.00	12,329.00		196.00	78,278.00	10%	12.5%	10,763.23	0.5%	391.39	0.5%	391.39	1%	782.78	20,156.59
Desktop Computer	5	381.20	1,906.00	357.00		6.00	2,269.00	0%	12.5%	283.63	0.5%	11.35	0.5%	11.35	1%	22.69	329.01
Laptop Computer	1	2,859.00	2,859.00	556.00		9.00	3,404.00	0%	12.5%	425.50	0.5%	17.02	0.5%	17.02	1%	34.04	493.58
Printer	6	495.87	2,974.02	558.00		9.00	3,541.02	0%	12.5%	442.63	0.5%	17.71	0.5%	17.71	1%	35.4102	513.45

Miscel. Repair parts	1	156,240.00	156,240.00	29,295.00	465.00	186,000.00	10%	18,600.00	12.5%	25,575.00	0.5%	930.00	0.5%	930.00	1%	1,860	47,995.00	
CIVIL MATERIALS																		
HDPE liner 1.5mm S	12000	3.97	47,640.00	8,929.00	142.00	56,711.00	10%	5,671.10	12.5%	7,797.76	0.5%	293.56	0.5%	293.56	1%	567.11	14,603.08	
HDPE liner 1.5mm M	20000	4.93	98,600.00	18,476.00	293.00	117,369.00	10%	11,736.90	12.5%	16,138.24	0.5%	586.85	0.5%	586.85	1%	1,173.69	30,222.52	
CIM/hole Cover 23x38	20	201.70	4,034.00	756.00	12.00	4,892.00	10%	489.20	12.5%	660.28	0.5%	24.01	0.5%	24.01	1%	48.02	1,236.52	
CIM/hole Cover 60x60	25	287.08	7,177.00	1,346.00	21.00	8,544.00	10%	854.40	12.5%	1,174.80	0.5%	42.72	0.5%	42.72	1%	85.44	2,200.08	
CIM/hole cover 70x70	54	330.63	17,854.02	3,348.00	53.00	21,255.02	10%	2,125.50	12.5%	2,922.57	0.5%	106.28	0.5%	106.28	1%	212.5502	5,473.17	
Additive Plast Super	485	2.61	1,265.85	238.00	4.00	1,507.85	20%	301.57	12.5%	226.18	0.5%	7.54	0.5%	7.54	1%	15.0785	557.90	
Additive Retarder	347	2.57	891.79	167.00	3.00	1,061.79	20%	212.36	12.5%	159.27	0.5%	5.31	0.5%	5.31	1%	10.6179	392.86	
Reinforcement bars	249	801.94	199,683.06	37,441.00	594.00	237,718.06	20%	47,543.61	12.5%	35,657.71	0.5%	1,188.59	0.5%	1,188.59	1%	2,377.1806	87,955.68	
Glued starter bars	222	1.26	279.72	52.00	1.00	332.72	20%	66.54	12.5%	49.91	0.5%	1.66	0.5%	1.66	1%	3.3272	123.11	
Water stopper	663	25.19	16,700.97	3,131.00	50.00	19,881.97	10%	1,988.20	12.5%	2,733.77	0.5%	99.41	0.5%	99.41	1%	198.8197	5,119.61	
Marker plates	129	3.19	411.51	77.00	1.00	489.51	10%	48.95	12.5%	67.31	0.5%	2.45	0.5%	2.45	1%	4.8951	126.05	
Fence chainlink	1,200	15.73	18,876.00	3,540.00	56.00	22,472.00	10%	2,247.20	12.5%	3,089.90	0.5%	112.36	0.5%	112.36	1%	224.72	5,786.54	
Preab Tower Meters	4	90,371.00	361,484.00	67,778.00	1,076.00	430,338.00	0%	430,338.00	0%	53,792.25	0.5%	2,151.69	0.5%	2,151.69	1%	43,033.38	62,399.01	
Supply HB tank	4	100,211.25	400,845.00	75,158.00	1,193.00	477,196.00	10%	47,719.60	12.5%	65,614.45	0.5%	2,385.88	0.5%	2,385.88	1%	47,719.6	122,877.97	
Steel frames	43	124.70	5,362.10	1,005.00	16.00	6,383.10	10%	638.31	12.5%	877.68	0.5%	31.92	0.5%	31.92	1%	63.831	1,643.65	
Thinner for TC300-91	137	3.09	423.33	79.00	1.00	503.33	20%	100.67	12.5%	75.50	0.5%	2.52	0.5%	2.52	1%	5.0333	186.23	
SCF75 (internal)	763	14.18	11,102.94	2,081.00	33.00	13,216.94	20%	2,643.39	12.5%	1,982.54	0.5%	66.08	0.5%	66.08	1%	1,321.694	4,890.27	
TON300 (external)	1,312	5.62	7,373.44	1,382.00	22.00	8,777.44	20%	1,755.48	12.5%	1,316.62	0.5%	43.89	0.5%	43.89	1%	87.7744	3,247.65	
Bituminous Paint	1054	6.29	6,629.66	1,244.00	20.00	7,893.66	20%	1,578.73	12.5%	1,184.05	0.5%	39.47	0.5%	39.47	1%	78.9366	2,920.65	
Welding consumable	25854	0.64	16,546.56	3,086.00	49.00	19,681.56	10%	1,968.16	12.5%	2,706.21	0.5%	98.41	0.5%	98.41	1%	1,968.156	5,068.00	
Formwork Oil	2926	1.50	4,389.00	822.00	13.00	5,224.00	20%	1,044.80	12.5%	783.60	0.5%	26.12	0.5%	26.12	1%	52.24	1,992.88	
Curing compounds	764	1.81	1,382.84	260.00	4.00	1,646.84	20%	329.37	12.5%	247.03	0.5%	8.23	0.5%	8.23	1%	16.4684	609.33	
Civil Mat. Miscel.	1	1.81	3,031.75	570.00	9.00	3,610.75	20%	722.15	12.5%	541.61	0.5%	18.05	0.5%	18.05	1%	36.1075	1,335.98	
PIPE SYSTEMS																		
DI PIPE DN80	20	24.20	484.00	91.00	1.00	576.00	10%	57.60	12.5%	79.20	0.5%	2.88	0.5%	2.88	1%	5.76	148.32	
DI PIPE DN100	900	33.72	30,348.00	5,690.00	90.00	36,112.80	10%	3,612.80	12.5%	4,967.60	0.5%	180.64	0.5%	180.64	1%	361.28	9,302.96	
DI PIPE DN150	480	40.81	19,586.80	3,673.00	58.00	23,319.80	10%	2,331.98	12.5%	3,206.47	0.5%	116.60	0.5%	116.60	1%	233.198	6,004.85	
STEEL Pipe 152.4	126	52.31	6,591.06	1,236.00	20.00	7,847.06	10%	784.71	12.5%	1,078.97	0.5%	39.24	0.5%	39.24	1%	78.4706	2,020.62	
STEEL Pipe 203.2	247	72.89	18,008.83	3,376.00	54.00	21,433.83	10%	2,143.38	12.5%	2,947.15	0.5%	107.17	0.5%	107.17	1%	214.3383	5,519.21	

16610	STEEL Pipe 610	210.99	3,293,553.90	617,543.00	9,802.00	3,920,898.90	10%	392,089.89	12.5%	539,123.60	0.5%	19,604.49	0.5%	19,604.49	1%	39208.989	1,009,631.47
6368	STEEL Pipe 711.2	242.77	1,545,959.36	289,866.00	4,801.00	1,840,426.36	10%	184,042.64	12.5%	253,058.62	0.5%	9,202.13	0.5%	9,202.13	1%	18404.2636	473,909.79
177	STEEL Pipe 914	432.82	76,609.14	14,364.00	228.00	91,201.14	10%	9,120.11	12.5%	12,540.16	0.5%	456.01	0.5%	456.01	1%	912,011.4	23,484.29
5	PIPPING TOWERS	28,727.20	143,636.00	26,932.00	427.00	170,995.00	10%	17,099.50	12.5%	23,511.81	0.5%	854.98	0.5%	854.98	1%	1709.95	44,031.21
1300	PVC RESIN	1,240.00	1,612,000.00	253,890.00	4,030.00	1,869,920.00	10%	186,992.00	12.5%	257,114.00	0.5%	9,349.60	0.5%	9,349.60	1%	18699.2	481,504.40
336	HDPE RESIN	667.06	224,132.16	42,025.00	667.00	266,824.16	10%	26,682.42	12.5%	36,688.32	0.5%	1,334.12	0.5%	1,334.12	1%	2668.2416	68,707.22
1000	MISCELL. PIPE	48.31	48,310.00	9,059.00	144.00	57,513.00	10%	5,751.30	12.5%	7,908.04	0.5%	287.57	0.5%	287.57	1%	575.13	14,809.60
6	PIPE VALVES/FRIT	149.17	895.02	168.00	3.00	1,066.02	10%	106.60	12.5%	146.58	0.5%	5.33	0.5%	5.33	1%	10.6602	274.50
2	Bend 45 DI DN80	163.50	327.00	61.00	1.00	389.00	10%	38.90	12.5%	53.49	0.5%	1.95	0.5%	1.95	1%	3.89	100.17
45	Bend 45 DI DN100	175.76	7,909.20	1,483.00	24.00	9,416.20	10%	941.62	12.5%	1,294.73	0.5%	47.08	0.5%	47.08	1%	94.162	2,424.67
24	Bend 45 DI DN150	250.67	6,016.08	1,128.00	18.00	7,162.08	10%	716.21	12.5%	984.79	0.5%	35.81	0.5%	35.81	1%	71.6208	1,844.24
102	TEE DI 400	1,044.07	106,495.14	19,968.00	317.00	126,760.14	10%	12,678.01	12.5%	17,452.27	0.5%	633.90	0.5%	633.90	1%	1267.8014	32,645.89
16	FLANGE ADAPT.100	81.13	1,298.08	243.00	4.00	1,545.08	10%	154.51	12.5%	212.45	0.5%	7.73	0.5%	7.73	1%	15.4508	397.86
78	Flange ADAPT.160	129.41	10,093.98	1,893.00	30.00	12,016.98	10%	1,201.70	12.5%	1,652.33	0.5%	60.08	0.5%	60.08	1%	120.1698	3,094.37
10	Flange ADAPT.225	161.40	1,614.00	303.00	5.00	1,922.00	10%	192.20	12.5%	264.28	0.5%	9.61	0.5%	9.61	1%	192.2	484.92
12	Flange Adapt. 280	265.42	3,185.04	597.00	9.00	3,791.04	10%	379.10	12.5%	521.27	0.5%	18.96	0.5%	18.96	1%	37.9104	976.19
54	Flange Adapt. 315	353.98	19,114.92	3,584.00	57.00	22,755.92	10%	2,275.59	12.5%	3,128.94	0.5%	113.78	0.5%	113.78	1%	227.5592	5,859.65
46	Flange Adapt. 600	486.37	22,373.02	4,195.00	67.00	26,663.02	10%	2,663.50	12.5%	3,662.32	0.5%	133.18	0.5%	133.18	1%	266.3502	6,858.52
20	Spool PieceDI DN80	160.75	3,215.00	603.00	10.00	3,828.00	10%	382.80	12.5%	526.35	0.5%	19.14	0.5%	19.14	1%	382.8	985.71
123	Spool PieceDI DN100	198.75	24,448.25	4,584.00	73.00	29,103.25	10%	2,910.33	12.5%	4,001.70	0.5%	145.52	0.5%	145.52	1%	291.0325	7,494.09
48	Spool PieceDI DN150	245.02	11,760.96	2,286.00	36.00	14,080.96	10%	1,408.30	12.5%	1,996.41	0.5%	70.41	0.5%	70.41	1%	140.8296	3,626.36
51	Spool PieceDI DN400	655.27	33,418.77	6,266.00	99.00	39,783.77	10%	3,978.38	12.5%	5,470.27	0.5%	198.92	0.5%	198.92	1%	397.8377	10,244.32
82	Spool Piece 600	579.48	47,517.36	8,909.00	141.00	56,567.36	10%	5,656.74	12.5%	7,778.01	0.5%	282.84	0.5%	282.84	1%	565.6736	14,566.10
6	Tee Steel 400	446.67	2,680.02	503.00	8.00	3,191.02	10%	319.10	12.5%	438.77	0.5%	15.96	0.5%	15.96	1%	31.9102	821.69
44	Tee Steel 600	596.52	26,246.88	4,921.00	78.00	31,245.88	10%	3,124.59	12.5%	4,296.31	0.5%	156.23	0.5%	156.23	1%	312.4588	8,045.81
2	Tee Steel 900	1,104.00	2,208.00	414.00	7.00	2,629.00	10%	262.90	12.5%	361.49	0.5%	13.15	0.5%	13.15	1%	262.9	676.97
122	Fitting Steel150:10%	5.21	635.62	119.00	2.00	756.62	10%	75.66	12.5%	104.04	0.5%	3.78	0.5%	3.78	1%	75.662	194.83
240	Fitting Steel200:10%	7.14	1,713.60	321.00	5.00	2,039.60	10%	203.96	12.5%	280.45	0.5%	10.20	0.5%	10.20	1%	203.96	525.20
15010	Fitting Steel 600:5%	7.59	113,925.90	21,368.00	339.00	135,632.90	10%	13,563.29	12.5%	18,648.52	0.5%	678.16	0.5%	678.16	1%	1356.329	34,925.47
6134	Fitting Steel 700:5%	9.63	59,070.42	11,074.00	176.00	70,320.42	10%	7,032.04	12.5%	9,689.06	0.5%	351.60	0.5%	351.60	1%	703.2042	18,107.51
172	Fitting Steel 900:5%	18.25	3,139.00	589.00	9.00	3,737.00	10%	373.70	12.5%	513.84	0.5%	18.69	0.5%	18.69	1%	373.7	962.28
6	Tee PVC Red. 160	68.33	409.98	77.00	1.00	487.98	20%	97.60	12.5%	73.20	0.5%	2.44	0.5%	2.44	1%	4.8798	180.55
18	Tee PVC Red. 225	172.61	3,106.98	582.00	9.00	3,699.98	20%	739.60	12.5%	554.70	0.5%	18.49	0.5%	18.49	1%	36.9998	1,368.25
30	Tee PVC Red. 280	383.33	11,499.90	2,156.00	34.00	13,689.90	20%	2,737.98	12.5%	2,053.49	0.5%	68.45	0.5%	68.45	1%	136.899	5,065.26
92	Tee PVC Red. 315	458.10	42,145.20	7,902.00	125.00	50,172.20	20%	10,034.44	12.5%	7,525.83	0.5%	250.86	0.5%	250.86	1%	501.722	18,563.71
16	Spool Piece PVC 110	9.19	147.04	28.00	-	175.04	20%	35.01	12.5%	26.26	0.5%	0.88	0.5%	0.88	1%	1.7504	64.76

Spool Piece PVC 160	76	19.28	1,485.28	275.00	4.00	1,744.28	20%	348.86	12.5%	261.64	0.5%	8.72	0.5%	8.72	1%	17,442.8	645.38	
Spool Piece PVC 225	18	47.61	856.98	161.00	3.00	1,020.98	20%	204.20	12.5%	153.15	0.5%	5.10	0.5%	5.10	1%	10,209.8	377.76	
Spool Piece PVC 280	30	113.57	3,407.10	639.00	10.00	4,056.10	20%	811.22	12.5%	608.42	0.5%	20.28	0.5%	20.28	1%	40,561.0	1,500.76	
Spool Piece PVC 315	92	123.02	11,317.84	2,122.00	13.00	13,473.84	20%	2,694.77	12.5%	2,021.08	0.5%	67.37	0.5%	67.37	1%	134,738.4	4,956.32	
Fitting UPVC 160:5%	2450	1.79	4,385.50	820.00	34.00	5,218.50	20%	1,043.70	12.5%	782.78	0.5%	26.09	0.5%	26.09	1%	52,185.0	1,930.85	
Fitting UPVC 225:5%	3300	3.50	11,550.00	2,165.00	34.00	13,749.00	20%	2,749.80	12.5%	2,062.35	0.5%	68.75	0.5%	68.75	1%	137,490.0	5,087.13	
Fitting UPVC 280:5%	4440	5.40	23,976.00	4,494.00	71.00	28,541.00	20%	5,708.20	12.5%	4,281.15	0.5%	142.71	0.5%	142.71	1%	285,410.0	10,560.17	
Fitting UPVC 315:5%	27130	6.80	184,484.00	34,580.00	1.00	219,613.00	20%	43,922.60	12.5%	32,941.95	0.5%	1,098.07	0.5%	1,098.07	1%	2,196,130.0	81,256.81	
Bands 45 UPVC100	16	12.13	194.08	36.00	1.00	231.08	20%	46.22	12.5%	34.66	0.5%	1.16	0.5%	1.16	1%	23,108.0	85.50	
Bands 45 UPVC160	70	27.81	1,946.70	365.00	6.00	2,317.70	20%	463.54	12.5%	347.66	0.5%	11.59	0.5%	11.59	1%	23,177.0	85.55	
Saddle/attach Ins. PM	2	231.00	462.00	87.00	1.00	550.00	10%	55.00	12.5%	75.63	0.5%	2.75	0.5%	2.75	1%	55.00	141.63	
Step Mech Coupl.150	2	78.00	156.00	29.00	1.00	185.00	10%	18.50	12.5%	25.44	0.5%	0.93	0.5%	0.93	1%	1.85	47.64	
Step Mech Coupl.200	2	120.00	240.00	45.00	1.00	265.00	10%	26.50	12.5%	39.33	0.5%	1.43	0.5%	1.43	1%	2.86	73.65	
Step Mech Coupl.250	2	132.50	265.00	50.00	1.00	316.00	10%	31.60	12.5%	43.45	0.5%	1.58	0.5%	1.58	1%	3.16	81.37	
Step Mech Coupl.300	2	207.50	415.00	78.00	1.00	494.00	10%	49.40	12.5%	67.93	0.5%	2.47	0.5%	2.47	1%	4.94	127.21	
Step Mech Coupl.400	12	268.08	3,216.96	603.00	10.00	3,829.96	10%	383.00	12.5%	526.62	0.5%	19.15	0.5%	19.15	1%	38,299.6	986.21	
Step Mech Coupl.600	12	408.83	4,905.96	920.00	15.00	5,840.96	10%	584.10	12.5%	803.13	0.5%	29.20	0.5%	29.20	1%	58,409.6	1,504.05	
Step Mech Coupl.900	4	1,484.25	5,937.00	1,143.00	18.00	7,068.00	10%	706.80	12.5%	971.85	0.5%	35.34	0.5%	35.34	1%	70,680.0	1,820.01	
Air Valve DNSD INCL.	54	910.91	49,189.14	9,223.00	146.00	58,558.14	10%	5,855.81	12.5%	8,051.74	0.5%	292.79	0.5%	292.79	1%	5,855.81	15,078.72	
Flap Valve 100	45	98.53	4,433.85	831.00	13.00	5,277.85	10%	527.79	12.5%	725.70	0.5%	26.39	0.5%	26.39	1%	52,778.5	1,359.05	
Flap Valve 150	24	157.71	3,805.04	620.00	10.00	4,435.04	10%	393.50	12.5%	541.07	0.5%	19.68	0.5%	19.68	1%	39,350.4	1,013.27	
Gate Valve 100 INCL.	47	269.09	12,647.23	2,371.00	38.00	15,056.23	10%	1,505.62	12.5%	2,070.23	0.5%	75.28	0.5%	75.28	1%	1,505.62	3,878.98	
Gate Valve 150 INCL.	65	417.17	27,116.05	5,084.00	81.00	32,281.05	10%	3,228.11	12.5%	4,438.64	0.5%	161.41	0.5%	161.41	1%	3,228.11	8,312.37	
Gate Valve 200 INCL.	7	596.43	4,189.01	785.00	12.00	4,986.01	10%	498.60	12.5%	685.58	0.5%	24.93	0.5%	24.93	1%	49,860.1	1,283.90	
Gate Valve 250 INCL.	8	941.00	7,528.00	1,412.00	22.00	8,962.00	10%	896.20	12.5%	1,232.28	0.5%	44.81	0.5%	44.81	1%	8,962.00	2,307.72	
Gate Valve 300 INCL.	27	1,118.56	30,201.12	5,663.00	90.00	35,954.12	10%	3,595.41	12.5%	4,943.69	0.5%	179.77	0.5%	179.77	1%	3,595.41	9,258.19	
Gate Valve 600 INCL.	27	7,499.22	202,478.94	37,965.00	603.00	241,046.94	10%	24,104.69	12.5%	33,143.95	0.5%	1,205.23	0.5%	1,205.23	1%	24,104.69	62,069.59	
Pressure Red. Val.100	6	1,888.50	11,331.00	2,125.00	34.00	13,490.00	10%	1,349.00	12.5%	1,854.88	0.5%	67.45	0.5%	67.45	1%	1,349.00	3,473.68	
Hydrant	20	306.25	6,125.00	1,148.00	18.00	7,291.00	0%	-	12.5%	911.38	0.5%	36.46	0.5%	36.46	1%	72.91	1,057.20	
Water Meter 100	6	535.50	3,213.00	802.00	10.00	3,825.00	0%	-	12.5%	478.13	0.5%	19.13	0.5%	19.13	1%	38.25	554.63	
Water Meter 300	2	3,882.00	7,764.00	1,456.00	23.00	9,243.00	0%	-	12.5%	1,155.38	0.5%	46.22	0.5%	46.22	1%	92.43	1,340.24	
ELECTRICAL MATS.																		
Elect Mats Miscell.	2	5,531.00	11,062.00	2,074.00	33.00	13,169.00	10%	1,316.90	12.5%	1,810.74	0.5%	65.85	0.5%	65.85	1%	1,316.90	3,391.02	
Startpanel for HL PP	2	3,960.00	7,920.00	1,485.00	24.00	9,429.00	10%	942.90	12.5%	1,286.49	0.5%	47.15	0.5%	47.15	1%	942.90	2,427.97	
Cath. prot. Anode Sys.	21316	2.21	47,106.36	8,843.00	140.00	56,091.36	10%	5,609.14	12.5%	7,712.56	0.5%	280.46	0.5%	280.46	1%	5,609.14	14,443.53	
Pump HL-140N3/100M	6	12,912.50	25,825.00	4,842.00	77.00	30,744.00	10%	3,074.40	12.5%	4,227.30	0.5%	153.72	0.5%	153.72	1%	3,074.40	7,916.58	
Various Pumps Compl	2	22,110.83	132,684.98	24,875.00	395.00	157,934.98	10%	15,793.50	12.5%	21,716.06	0.5%	789.67	0.5%	789.67	1%	15,793.50	40,668.26	

MATS/Dam Repair	1	1,935,799.00	1,935,799.00	362,962.00	5,761.00	2,304,522.00	10%	230,452.20	12.5%	316,871.78	0.5%	11,522.61	0.5%	11,522.61	1%	23045.22	593,414.42
Various Materials																	
Remaining Mats/Equip	1	118,390.00	118,390.00	22,198.00	352.00	140,940.00	10%	14,094.00	12.5%	19,379.25	0.5%	704.70	0.5%	704.70	1%	1409.4	36,292.05
Spare Parts	1	197,315.00	197,315.00	36,997.00	587.00	234,899.00	10%	23,489.90	12.5%	32,298.61	0.5%	1,174.50	0.5%	1,174.50	1%	2343.99	60,486.49
Miscel. Replacement			13,688,335.30	2,498,257.00	39,655.00	15,226,247.30		1,535,757.87		2,113,483.37		81,131.24		81,131.24		162,262.47	3,973,766.19

APPENDIX 1

Contract Agreement

This Agreement made the 22nd day of JUNE 2001 between GHANA WATER COMPANY LIMITED, hereinafter called "the Employer", of the one part and Vermeer B.V., of Amstelveen, the Netherlands (hereinafter called "the Contractor") of the other part.

Whereas the Employer is desirous that certain Works should be executed for the Distribution Improvement of the Western Accra Area and Weija Dam Remedial Works - hereinafter referred to as Contract 1C - and has accepted the said Contract proposal by the Contractor for the design, execution and completion on a turn-key basis of such Works and remedying of any defects therein.

Now this Agreement witnesseth as follows:

The Contract concluded between the Employer and the Contractor shall only come into full force and effect after the following conditions have been entirely fulfilled in a way satisfactory to the Employer and the Contractor. All references to execution periods in relation to performance, delivery, completion or operation shall be calculated from the date of coming into force of the Contract.

- a. Agreement between the Netherlands Government and the Ghanaian Government pertaining to the financing of the Contract, by way of a grant equal to 35% of the Contract Price including the Provisional Sum;
- b. The issue of the relevant policies of the "Nederlandse Credietverzekerings Maatschappij" (Netherlands Export Credit Insurance Company) at Amsterdam;
- c. Receipt of the advance payment referred to in Sub-Clause 60.11 and Appendix to Tender;
- d. The signing of the Contract by the relevant contract parties;
- e. Permits and licenses required to commence the works have been issued;
- f. Possession of the Site has been given;
- g. Notice to commence the Works has been received in accordance with Sub-Clause 41.1 of the General Conditions of Contract;
- h. Agreement between the ... Bank and the Republic of Ghana acting through its competent Minister of Finance pertaining to the financing of the commercial part (65%) of the Contract Price including the Provisional Sum;
- i. Approval by the Ghanaian Parliament that the Contractor and its specified expatriate personnel, the expatriate Subcontractors and their specified expatriate personnel, as well as specified materials, equipment and all other specified project related items shall be exempted from the payment of any Ghanaian taxes and duties.

* It is further provided that the conditions precedent should be entirely fulfilled within 180 days of the signing date of the Contract, failing which the Contract shall be renegotiated.

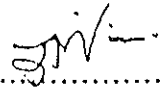
A P P E N D I X

III

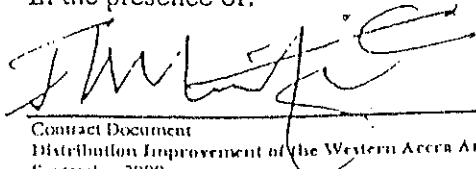
2. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
3. The following documents shall be deemed to form and be read and construed as part of this Agreement, in the following order of precedence viz:-
 - a. Letter of Acceptance;
 - b. This Contract Agreement;
 - c. The Agreed Minutes of 4th October, 2000;
 - d. The Appendix to Tender;
 - e. Special Conditions of Contract (Part II);
 - f. General Conditions of Contract (Part I);
 - g. General Specifications;
 - h. Technical Specifications;
 - i. Drawings;
 - j. The Bill of Quantities;
 - k. Time Schedule;
 - l. Attachments.
4. In consideration of the payments to be made by the Employer to the Contractor as hereinafter mentioned the Contractor hereby covenants with the Employer to execute and complete the Works and remedy any defects therein in conformity in all respects with the provisions of the Contract.
5. The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and the remedying of defects therein the Contract Price of NLG 58,500,000;- or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

In Witness whereof the parties hereto have caused this Agreement to be executed the day and year first before written in accordance with their respective laws.

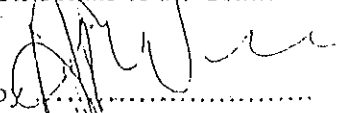
Signed,
On behalf of the Employer

by 

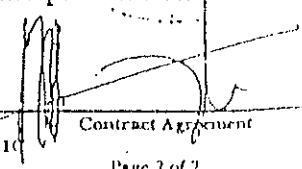
In the presence of:



Signed,
On behalf of the Contractor

by 

In the presence of:



APPENDIX

III

where the value of an index is not known at the time of calculation, the latest available value shall be used and any adjustments necessary shall be made in subsequent monthly statements.

following paragraph:

payments as a result of the increase in cost shall be made out of the Provisional sum, Bill No. 14, Item: 06 14 02, Description: "Provision for price variations as per Sub-Clause 70.1 of the Special Conditions of Contract", which sum shall not be exceeded.

Special Clauses

following clauses:

Clause 73

Clause 73.1 - Payment of Non-Ghanaian taxes

The Contractor at his own expense shall pay all taxes, duties, fees, charges of any nature levied against Contractor by the authorities of any country outside Ghana.

Clause 73.2 - Payment of Ghanaian taxes and duties

Ghanaian taxes and duties payable by the Contractor and its expatriate personnel arising from the performance of the Works shall be borne by the Employer. It being understood that the Employer shall make the necessary payments to the tax authority within one month from the Contractor submitting to the Employer any tax assessment received by him. Clearing, handling charges and fees will however be borne by the Contractor. It shall be the Contractor's responsibility to make any and all arrangements required in this respect.

Clause 73.3 - Temporary Import

Provisional tax arrangements referred to under Sub-Clause 73.2 shall also apply to equipment, materials and all other project related items, which will be used for the Works and thereafter re-exported. The Employer further undertakes to obtain temporary import licences, if required, for all such equipment, materials and items and to obtain extensions of the duration of such licences if required.

The Contractor shall pay all taxes, duties and fiscal imposts for any equipment or material disposed of by sale in Ghana. In this regard, the Contractor shall lodge with the Employer, all documentation, including relevant shipping documents on all temporarily imported material, equipment and household items in connection with the Works.

Clause 73.4 - Payment of Ghanaian taxes and duties for Subcontractors

Sub-Clauses 73.2 and 73.3 shall also apply to the expatriate Subcontractor engaged by the Contractor and for the avoidance of doubt, any such Contractor registered under the laws of Ghana as resident and ordinarily on business in Ghana, shall not be regarded as an expatriate Subcontractor.