

**IN THE SECOND SESSION OF THE FIFTH PARLIAMENT OF THE  
FOURTH REPUBLIC OF GHANA**

**REPORT OF THE JOINT COMMITTEE ON FINANCE  
AND ROADS AND TRANSPORT ON THE LOAN  
AGREEMENT BETWEEN THE GOVERNMENT OF  
THE REPUBLIC OF GHANA AND AFRICAN  
DEVELOPMENT FUND FOR AN AMOUNT  
EQUIVALENT TO UA53,590,000.00 [EQUIVALENT  
TO US\$80.35 MILLION] TO PARTIALLY FINANCE  
THE AWOSHIE-POKUASE ROAD AND COMMUNITY  
DEVELOPMENT PROJECT**

**1.0 INTRODUCTION**

The Loan Agreement between the Government of the Republic of Ghana and the African Development Fund for an amount equivalent to fifty-three million, five hundred and ninety thousand Units of Account (UA53,590,000.00) [equivalent to US\$80.35 million] to partially finance the Awoshie-Pokuase Road and Community Development Project was laid in the House on Thursday 11<sup>th</sup> February, 2010 and referred to a Joint Committee on Finance and Roads and Transport for consideration and report in accordance with articles 103 and 181 of the Constitution and Standing Orders of the House.

The Committee met and considered the Agreement with a technical team from the Ministry of Finance & Economic Planning and the Ministry of Roads and Highways and presents this report.

**2.0 BACKGROUND**

The Awoshie-Pokuase area is rapidly developing as a consequence of Greater Accra's urban sprawl, with an

estimated physical growth of more than 9% per annum. This expansion has made it difficult to meet the service demands of residents regarding transportation, health, education, water and sanitation. The urban sprawl has resulted in traffic congestion, overcrowding, poor quality housing, inadequate education and health facilities, poor sanitation and a generally degraded environment.

This road construction project therefore aims to promote sustainable economic growth and reduce poverty through greater employment and income generation opportunities. The project is also aimed at improving accessibility to economic activity within the project area.

### **3.0 PURPOSE OF THE LOAN**

The purpose of the loan is to secure funds to partially finance the local and foreign currency cost of the implementation of the Awoshie-Pokuase Road and Community Development Project.

### **TERMS AND CONDITIONS**

The terms and conditions of the Loan are as follows:

<b>Loan Amount</b>	-	<b>UA53.59 million</b>
<b>Interest Rate</b>	-	<b>No interest charge</b>
<b>Grace Period</b>	-	<b>10 years</b>
<b>Repayment Period</b>	-	<b>30 years (exclusive of grace period)</b>
		<b>Repayment of the principal commences 10 years from the date of signing the loan agreement.</b>
<b>Service Charge</b>	-	<b>0.75% per annum on the principal amount of the loan</b>

**disbursed and outstanding from  
time to time**

<b>Commitment Charge</b>	-	<b>0.50% per annum on the undisbursed portion of the loan</b>
<b>Concessionality Rate</b>	-	<b>65.49%</b>

#### **TAX EXEMPTION/WAIVER**

In accordance with article 50 of the Agreement establishing the African Development Bank, dated 14<sup>th</sup> August 1963 and as amended in February 2009; goods, services and other items imported for the use of the project shall be exempt from all local (Ghanaian) taxes, VAT and Customs Duties

The Committee was assured that a formal request for the waiver of the relevant taxes and duties would be presented to the House in due course for consideration and approval.

#### **4.0 OBSERVATIONS**

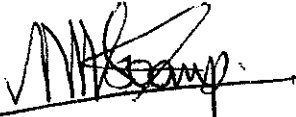
The Committee observed that the primary and direct project beneficiaries span across the Awoshie, Anyaa, Ablekuma, Amamorley, Ayawaso and Pokuase in the Ga West and South Municipalities.

It was noted that mobility and access to adequate socio-economic infrastructure are currently limited in the project area due to poor quality road links.

The Committee was informed that the total estimated cost of the project, excluding taxes and duties, is UA84.53 million (equivalent to US\$126.79 million).

This is being co-financed as follows:

African Development Fund (ADF)	-	UA53.59million
Agence Francaise de Developpment (AFD)	-	UA 25.70million
Gov't of Ghana counterpart funds	-	UA5.25 million
<b>TOTAL</b>		<b>UA 84.53 MILLION</b>



**HON M.C. BOAMPONG  
CHAIRMAN, COMMITTEE ON ROADS AND TRANSPORT**



**PEACE A. FIAWOYIFE (MS)  
CLERK, FINANCE COMMITTEE**



**SAMUEL ADDEI (MR)  
CLERK, COMMITTEE ON ROADS AND TRANSPORT**

**22<sup>ND</sup> FEBRUARY, 2010**

*exposure*

*foreign direct investment.*

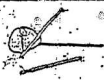
TAX ASSESSMENT FORM

IMPORTER/AGENT'S NAME & ADDRESS: GHANA WATER COMPANY / KUMAWU WATER SUPPLY SYSTEM  
 INVOICE NO.: \_\_\_\_\_ 3. TIN NO.: \_\_\_\_\_ 4. FCVR NO.: \_\_\_\_\_  
 AIRWAY BILL / BILL OF LADING NO.: \_\_\_\_\_ 5. DECLARANT NO.: \_\_\_\_\_ 7. EXCHANGE RATE: \_\_\_\_\_

Qty.	Description of Goods	CIF	Tax Description															
			Imp. Duty		Imp. VAT		Imp. NHIL		ECOWAS Levy		EDIF		Irisp. Fee		Processing Fee			
			Rate % (10)	Amount (11)	Rate % (12)	Amount (13)	Rate % (14)	Amount (15)	Rate % (16)	Amount (17)	Rate % (18)	Amount (19)	Rate % (20)	Amount (21)	Rate % (22)	Amount (23)	Rate % (24)	Amount (25)
	GENERAL & ELECTRICAL MATERIALS, LIGHTING & ACCESSORIES (ITEM NOS: 141-152, 153-172, 173-180, 198-228, 232-268, 272-279, 283-287, 292-290, 400-405, 409-414, 426, 455, 456, 460, 461, 472-485, 502, 508, 510, 511, 522, 552-553, 574, 575, 577, 583, and 585)	US \$ 3,724,439	10%	372,444	12.5%	512,110	2.5%	102,422	0.5%	18,622	0.5%	18,622	1%	37,244	1%	37,244		

CERTIFICATE  
 This is to certify that the assessment given is true and correct.  
 Date: \_\_\_\_\_ Signature: \_\_\_\_\_  
 Importer/Agent's Name & Designation: \_\_\_\_\_

For Official Use  
 Assessment rechecked and found correct and complete.  
 Date: 2-08-10  
 Signature: \_\_\_\_\_  
 Officer's Name & Rank: GIBSON GLE ASST. COM.  
 THE COMMISSIONER GENERAL OF CUSTOMS AND EXCISE  
 P. O. BOX 61  
 ACCRA



Kumawu Project

TAX ASSESSMENT FORM

1. IMPORTER/AGENT'S NAME & ADDRESS: GHANA WATER COMPANY LTD / KUMAWU WATER SUPPLY SYSTEM

2. OFFICE NO.: 3. TIN NO.: 4. FCVR NO.:

5. AIRWAY BILL / BILL OF LADING NO.: 6. DECLARANT NO.: 7. EXCHANGE RATE:

Qty.	Description of Goods	CIF US \$	Tax Description														US	
			Imp. Duty		Imp. VAT		Imp. NHIL		ECOWAS Levy		EDIF		Insp. Fee		Processing Fee			
			Rate % (10)	Amount (11)	Rate % (12)	Amount (13)	Rate % (14)	Amount (15)	Rate % (16)	Amount (17)	Rate % (18)	Amount (19)	Rate % (20)	Amount (21)	Rate % (22)	Amount (23)		Rate % (24)
	MECHANICAL MATERIALS (ITEM Nos: 2-67, 72-105, 109-138, 181-197, 419-430, 435, 437, 438, 445-451, 467-471, 549, 564, 565, 570, 571, 581, 582), TWO UNITS 4X4 SUBEN CAR (ITEM No. 495)	41,238,353	20%	8,247,671	12.5%	6,185,753	2.5%	1,237,151	0.5%	206,192	0.5%	206,192	1%	412,384	1%	412,384		

26. CERTIFICATE TOTAL TAX LIABILITY FOR KUMAWU WATER SUPPLY SYSTEM = US \$ 18,845,125.00

This is to certify that the assessment given is true and correct.  
GRAND TOTAL TAX LIABILITY FOR THREE PROJECTS = US \$ 25,737,918.00

Date:

Importer/Agent's Name & Designation:

For Official Use

Assessment rechecked and found correct and complete.

02-08-10  
Date

THE CUSTOMS  
OFFICER  
GOSWAMI & PARTNERS  
& CO. PVT. LTD.  
ACCRA

Signature:

Officer's Name & Rank: GOSWAMI GLEBY  
ASST COL

