

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

**REPORT OF THE JOINT COMMITTEE ON FINANCE AND  
WORKS AND HOUSING ON THE LOAN AGREEMENT  
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF  
GHANA AND THE EXPORT CREDIT BANK OF TURKEY INC,  
TURK EXIMBANK FOR AN AMOUNT OF US\$135,964,703.17  
AND THE LONG TERM LOAN AGREEMENT BETWEEN THE  
GOVERNMENT OF THE REPUBLIC OF GHANA AND CAL  
BANK LIMITED, AMALGAMATED BANK LIMITED, BANK OF  
BARODA GHANA LIMITED, BARCLAYS BANK GHANA  
LIMITED, GHANA COMMERCIAL BANK LIMITED,  
MERCHANT BANK GHANA LIMITED, ECOBANK GHANA  
LIMITED, UNIBANK GHANA LIMITED FOR THE CEDI  
EQUIVALENT OF US\$28,970,899.38 FOR THE  
IMPLEMENTATION OF THE AKIM ODA, AKWATIA AND  
WINNEBA WATER SUPPLY PROJECTS**

**1.0 INTRODUCTION**

The Loan Agreement between the Government of the Republic of Ghana and the Export Credit Bank of Turkey Inc, Turk Eximbank for an amount of *one hundred and thirty-five million, nine hundred and sixty-four thousand, seven hundred and three united States Dollars and seventeen Cents* (US\$135,964,703.17) AND the Long Term Loan Agreement between the Government of the Republic of Ghana and CAL Bank Limited, Amalgamated Bank Limited, Bank of Baroda Ghana Limited, Barclays Bank Ghana Limited, Ghana Commercial Bank Limited, Merchant Bank Ghana Limited, Ecobank Ghana Limited, Unibank Ghana Limited for the Cedi Equivalent of *twenty-*

*eight million, nine hundred and seventy thousand, eight hundred and ninety-nine United States Dollars and thirty-eight Cents (US\$28,970,899.38) for the implementation of the Akim Oda, Akwatia and Winneba Water Supply Projects were laid in the House on 15<sup>th</sup> August, 2012 and referred to a Joint Committee on Finance and Works and Housing for consideration and report.*

The Committee met and considered the Agreements with the Minister for Water Resources, Works and Housing, Hon. Enoch Teye Mensah and his Deputy Hon. Hanna Bissiw, Deputy Minister for Finance and Economic Planning, Hon. Seth Terkper and officials from the Ministries of Finance and Economic Planning (MOFEP) and Water Resources, Works and Housing (MWRW&H) as well as the Ghana Water Company Limited (GWCL) and hereby presents this report to the House pursuant to order 161(1) of the Standing Orders of the House.

## **2.0 BACKGROUND**

### **2.1 Akim Oda Water System**

Akim Oda is the capital of the Birim Central Municipal Assembly in the Eastern Region. The Akim Oda Water System is based on the abstraction of ground water using six boreholes. The water is pumped to three elevated water storage tanks to feed the distribution network.

The yield from the six boreholes operating at 20 hours a day is 600 m<sup>3</sup>/day as against the installed capacity of 3,600m<sup>3</sup>/day. The current daily water demand of 6,132m<sup>3</sup>/day cannot be supported by the available borehole yield due to diminishing ground water and the ever-growing demand for water.

It is worth noting that, Akim Asene, Akim Aboabo and Akim Manso are all towns within the environs of Akim Oda. They have separate boreholes and distribution systems which were linked to the Akim Oda water system. Currently, all these systems have either broken down or seriously deteriorated.

The Akim Oda Water Supply Rehabilitation and Expansion Project as proposed, is to eventually phase out the existing unreliable ground water source which has seasonally high iron concentration. The construction of a dam close to the confluence of the Pra and Birim rivers will serve as the source of raw water intake for the project. A new conventional treatment plant with a capacity of 10,000m<sup>3</sup>/day will also be constructed to serve an estimated population of 80,000 by the year 2025.

## **2.2 Akwatia Water Supply System**

Akwatia is the District Capital of Denkyembour District. The Water Treatment Plant which serves this area has been out of operation for the past ten years. This was as a result of the collapse of the Diamond Company which used to operate the Water Treatment Plant. Presently, only few individuals have boreholes in their respective homes.

The proposed Akwatia Water Supply Expansion Project will continue to be based on conventional treatment facility. A complete new treatment plant will be constructed to meet the 2025 water demand of 9,000m<sup>3</sup>/day to serve an estimated population of 70,000 inhabitants.

## **2.3 Winneba Water Supply System**

Winneba is the Capital of the Efutu Municipal Assembly of the Central Region. The existing water supply system has its source of abstraction from river Ayensu and is based on a conventional treatment plant with installed capacity of 13,000m<sup>3</sup>/day. Previous expansion works on the system had very little transmission and distribution network. This caused the plant to operate below the expected capacity. Over time, the capacity of the treatment plant declined.

The treatment plant requires rehabilitation to restore it to its original designed capacity. The expansion of the transmission and distribution networks will also be an integral part of the project.

## **3.0 TERMS OF THE CREDIT**

The terms of the facilities are as follows:

### **A. EXPORT CREDIT BANK OF TURKEY LOAN**

<b>LOAN AMOUNT</b>	-	<b>US\$135,964,703.17</b> (85% of project Cost)
<b>Grace Period</b>	-	<b>3 years</b>
<b>Repayment Period</b>	-	<b>12 years</b>
<b>Maturity Period</b>	-	<b>15 years</b>
<b>Interest Rate</b>	-	<b>Libor + 2.5% p.a.</b>
<b>Commitment fee</b>	-	<b>0.50% p.a.</b> on undrawn balance
<b>Management fee</b>	-	<b>0.50%</b> (flat)

**B. CAL BANK LIMITED LOAN**

**LOAN AMOUNT - US\$28,970,899.38 (Cedi Equivalent) (15% of project cost)**

**Grace Period - 2 years**  
**Repayment period - 8 years**  
**Maturity period - 10 years**  
**Interest Rate - Bank Base Rate (currently, 24% p.a.)**  
**Arrangement fee - 0.75% (flat)**  
**Participation fee - 0.75% (flat)**

**4.0 OBSERVATIONS**

**4.1 Scope of Works**

The Committee observed that the scope of works on the three Water Supply Systems include the following:-

- Engineering Design
- Construction of treatment plants
- Supply and laying of transmission mains
- Supply and laying of distribution network
- Creation of Zonal and District Metering Areas with the supply and installation of bulk electromagnetic General Package Radio System (GPRS), data loggers and domestic meters
- Establishment of Geographic Information System (GIS) for the water systems
- Institutional Development Support
- Construction of Staff Residential and District Offices with Workshops
- Provision of Vehicles

- Construction of Sludge Treatment Facility with supply of Bobcat equipment
- Supply and installation of intake and high lift pumps with frequency controls
- Supply of spare parts and laboratory equipment
- Client engineering supervision

## **4.2 Beneficiary Communities**

Beneficiary communities on completion of the **Akim Oda Water Supply System** Rehabilitation and Expansion Project include Akim Asene, akim Manso, Atiankama Nkwanta, Aboabo, Amantem, Batabi and surrounding communities

Communities to benefit from the **Akwatia Water Supply System** Expansion Project will include Bawdua, Topreman, Bamanase, G.C.D Cap, Aubone Camp No.4, Anweaso, Mmoframfadwen and surrounding communities

The **Winneba Project** would benefit the inhabitants of Winneba and surrounding areas, including Mpota, Okyereko, Nsuekyir, Esobonpanyin, Gyahadze, Ansaful, Pomadze, Bewadze, Gomoa Mampong, Mankoadze, Mprumem, Onyadze, Otsew, Nkroful, Simbrofo, Ankamu, Apam, Mumford and Dago.

## **4.3 Reduction in Non-revenue Water**

The Committee noted that the creation of GIS office and District metering zones with electromagnetic GPRS data logger will assist GWCL to reduce the high non-accounted for water presently recorded in the system.

#### **4.4 Project Duration**

The project is scheduled to be completed in thirty-six (36) months after the commencement of works. There will also be a defect liability period of twelve (12) months.

#### **4.5 Counterpart Funding**

The Cedi Equivalent of US\$28,970,899.38 representing 15% of the project cost is the counterpart funding required to be provided by the Government of Ghana through the Ghana Water Company Limited. Due to resource constraints on Government and the need to ensure a smooth implementation of the projects, this amount is being sourced by Government from the local banking sector to pay for the required counterpart funding.

#### **4.6 Project Benefits**

The Committee observed that the projects would help provide improved access to reliable water supply to the beneficiary communities throughout the year and reduce the levels of non revenue water. The projects would maximize the social and health benefits of clean, safe and reliable water supply and also help promote food, palm oil processing and other agro industries.

The Projects would also help in the attainment of Government's aim of improving access to potable water to meet the Millennium Development Goals (MDS's), particularly, the target of *goal seven* (7).

#### **4.7 Taxes**

In accordance with Clause 4.06 of the Loan Agreement between the Government of the Republic of Ghana and the Export Credit Bank of Turkey Inc, the Agreement, its execution, as well as payments to be made by the Government (Borrower) under the Agreement are

required to be free and clear of any present or future taxes, duties or deductions in the Republic of Ghana.

The Committee recommends to the Minister of Finance and Economic Planning to endeavour to present a formal request for the waiver of the relevant taxes and duties to the House in due course for consideration and approval.

**ATTACHMENT: Please find attached as APPENDIX the Project Cost Breakdowns.**

## **5.0 CONCLUSION**

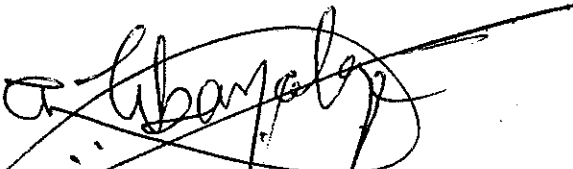
The Committee, after carefully considering the Agreements, respectfully recommends to the House to adopt this report and approve by resolutions,

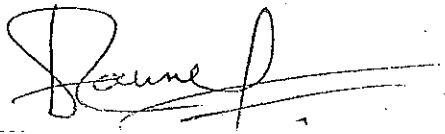
- i. The **Loan Agreement** between the **Government of the Republic of Ghana** and the **Export Credit Bank of Turkey Inc, Turk Eximbank** for an amount of *one hundred and thirty-five million, nine hundred and sixty-four thousand, seven hundred and three United States Dollars and seventeen Cents (US\$135,964,703.17)*; AND
- ii. the **Long Term Loan Agreement** between the **Government of the Republic of Ghana** and **CAL Bank Limited, Amalgamated Bank Limited, Bank of Baroda Ghana Limited, Barclays Bank Ghana Limited, Ghana Commercial Bank Limited, Merchant Bank Ghana Limited, Ecobank Ghana Limited, Unibank Ghana Limited** for the **Cedi Equivalent** of *twenty-eight million, nine hundred and seventy thousand, eight hundred and ninety-nine United States dollars and thirty-eight Cents (US\$28,970,899.38)*

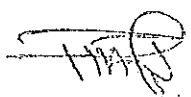


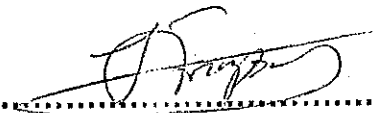
for the implementation of the Akim Oda, Akwatia and Winneba Water Supply Projects in accordance with article 181 of the Constitution and Sections 3 and 7 of the Loans Act, 1970 (Act 335).

Respectfully submitted.

  
f. **HON. JAMES KLUTSE AVEDZI**  
**CHAIRMAN, FINANCE COMMITTEE**

  
**HON. DAVID TETTEH ASSUMENG**  
**VICE CHAIRMAN, COMMITTEE ON**  
**WORKS AND HOUSING**

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

  
.....  
**JANET FRIMPONG (MS.)**  
**CLERK, COMMITTEE ON WORKS**  
**AND HOUSING**

**16<sup>TH</sup> AUGUST, 2012**

# APPENDIX

**CENTRAL REGION – Winneba Drinking Water  
Rehabilitation and Expansion Project  
Prj. No: Gh.AG.11/S01 No 03  
SUMMARY OF EXPLORATION  
UNIT PRICE BID SCHEDULE**

Water Source - Birim River

Item No.	Description	Unit	US \$	
			Rate	Amount
1-)	Precautions counter flood-carved, 40 cm, mortared rock fill	1	\$50,000.00	\$50,000.00
1.1	A Small boat for reservoir controls	1	\$5,000.00	\$5,000.00
1.2	LV1 Raw water Pumping Main Panel (Panel + Cables and Canals of the parts connected to the panel, Soft Starter)	1	\$100,558.11	\$100,558.11
1.3	Air Conditioning for control panels rooms	1	\$2,000.00	\$2,000.00
1.4	5 Ton capacity electrical crane	1	\$35,428.57	\$35,428.57
2-)	<b>TREATMENT PLANT REHABILITATIONS</b>			
2.1	Water flux measuring system with collector and with magnetic type indicator with measure interval of 0-450 Lt / Sec	1	\$20,356.21	\$20,356.21
2.2	pH Measure Control System	2	\$8,735.71	\$17,471.42
2.3	Rapid Sand Filter Lay out in Treatment Plant m <sup>3</sup>	440	\$350.00	\$154,000.00
2.4	Gear Operated Valve's Control Parts	6	\$3,500.00	\$21,000.00
2.5	Flocculation Pool, Stripper Inserted	1	\$95,000.00	\$95,000.00
2.6	Rapid Sand Poll Filter, Stripper Inserted	1	\$87,500.00	\$87,500.00
2.7	Dosage Unit Pumps	3	\$2,500.00	\$7,500.00
3-)	<b>Between Winneba - Swedru Pumping Line</b>	1	\$334,774.67	\$334,774.67
6.1-	Ø 160 Evacuation	4	\$4,561.60	\$18,246.40
6.2-	Ø 160 Sucker	4	\$5,498.60	\$21,994.40
8-)	Pumping Center	1	\$88,009.34	\$88,009.34
10-)	5000 M <sup>3</sup> Ground Level Reservoir	1	\$2,248,466.39	\$2,248,466.39
11-)	250 m <sup>3</sup> Elevated Water-Tank	7	\$774,785.78	\$5,423,500.46
13-)	WINNEBA Network Distribution	1	\$9,707,827.56	\$9,707,827.56
17-)	New booster station at Winneba junction (1+1) , Q=45m <sup>3</sup> /hr at 90 m,P=1	2	\$182,381.45	\$364,762.90
19-)	<b>SERVICE ROADS</b>	6	\$510,199.00	\$3,061,194.00
20-)	<b>RESIDENCE AND DISTRICT OFFICE</b>	1	\$6,180,000.00	\$6,180,000.00
21-)	<b>ENGINEERING DESING %3</b>	3%	\$28,044,590.43	\$841,337.71
22-)	<b>GIS OFFICE, BULK AND DOMESTIC METERS</b>	1	\$1,000,000.00	\$1,000,000.00
23-)	<b>TRAINING AND INSTITUTIONAL SUPPORT</b>	1	\$350,000.00	\$350,000.00
24-)	<b>CLIENT/FACILITIES FOR THE ENGINEERING COST</b>	1	\$2,000,000.00	\$2,000,000.00
25-)	<b>Contingencies 5%</b>			\$1,544,300.00
<b>TOTAL</b>				<b>\$33,780,228.14</b>



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**EASTERN REGION – AKWATIA Drinking Water Project**  
**Prj. No: Gh.AG.11/S01 No 01**  
**SUMMARY OF EXPLORATION (WITH UNIT PRICES FOR 2010)**  
**UNIT PRICE BID SCHEDULE**

Water Source - Birim River

Item No.	Description	Unit	US \$	
			Rate	Amount
1-)	WATER INTAKE SYSTEM	1	\$1,296,466.00	\$1,296,466.00
2A-)	PROVISIONAL SUM -DAM/WEIR	1	\$2,000,000.00	\$2,000,000.00
2B-)	TREATMENT PLANT	1	\$7,586,309.68	\$7,586,309.68
3-)	BETWEEN INTAKE SYSTEM AND TREATMENT PLANT POMPING	1	\$97,131.37	\$97,131.37
4-)	BETWEEN GLR-DY1 POMPING LINE	1	\$7,453,284.55	\$7,453,284.55
4.1-	Ø 500 EVACUATION	10	\$10,504.00	\$105,040.00
4.2-	Ø 500 SUCKER	10	\$13,893.30	\$138,933.00
8-)	POMPING CENTER	1	\$88,009.34	\$88,009.34
9-)	1000 M³ DY1 GROUND LEVEL RESERVOIR	1	\$1,010,915.94	\$1,010,915.94
10-)	4000 M³ GROUND LEVEL RESERVOIR	1	\$1,900,300.88	\$1,900,300.88
13-)	AKWATIA NETWORK DISTRIBUTION	1	\$21,474,229.72	\$21,474,229.72
17.1-)	BETWEEN INTAKE- TREATMENT Horizontal EMP	2	\$113,582.21	\$227,164.42
17.2-)	BETWEEN CWST-DY1 Horizontal EMP	2	\$113,582.21	\$227,164.42
19-)	SERVICE ROADS, 6 km.	6	\$510,199.00	\$3,061,194.00
20-)	RESIDENCE AND GUEST HOUSE	1	\$6,180,000.00	\$6,180,000.00
21-)	ENGINEERING DESING %3	3%	\$52,846,143.32	\$1,585,384.30
22-)	TRAINING AND INSTUTIONAL SUPPORT	1	\$350,000.00	\$350,000.00
23-	CADWEB	1	\$97,000.00	\$97,000.00
24-)	IRON REMOVAL PLANT (PROVISIONAL)	1	\$2,300,000.00	\$2,300,000.00
25-)	CLIENT/FACILITIES FOR THE ENGINEERING COST	1	\$2,000,000.00	\$2,000,000.00
26-)	Contingencies 5%			\$2,721,580.00
<b>TOTAL</b>				<b>\$61,900,107.62</b>



**EASTERN REGION – AKIM ODA Drinking Water Project**

Prj. No: Gh.AG.11/S01 No 02

**SUMMARY OF EXPLORATION**

**UNIT PRICE BID SCHEDULE**

Water Source - Birim River

Item No.	Description	Unit	US \$	
			Rate	Amount
1-)	WATER INTAKE SYSTEM	1	\$1,296,466.00	\$1,296,466.00
2-)	PROVISIONAL SUM -DAM/WEIR	1	\$2,000,000.00	\$2,000,000.00
3-)	TREATMENT PLANT	1	\$7,586,309.68	\$7,586,309.68
4-)	BETWEEN INTAKE SYSTEM AND TREATMENT PLANT POMPING LINE	1	\$95,256.16	\$95,256.16
4.1-	BETWEEN GWR-DY1 POMPING LINE	1	\$4,652,109.07	\$4,652,109.07
4.2-	Ø 500 EVACUATION	4	\$5,001.00	\$20,004.00
5-)	Ø 500 SUCKER	4	\$7,031.00	\$28,124.00
6-)	BETWEEN DY1-MANSO POMPING LINE	1	\$571,872.29	\$571,872.29
6.1-	BETWEEN DY1-AMANTEM POMPING LIN	1	\$966,902.90	\$966,902.90
6.2-	Ø 160 EVACUATION	13	\$4,561.60	\$59,300.80
8-)	Ø 160 SUCKER	12	\$5,498.60	\$65,983.20
9-)	POMPING CENTER	1	\$88,942.94	\$88,942.94
10-)	1000 M³ DY1 GROUND LEVEL RESERVOIR	1	\$973,705.54	\$973,705.54
11-)	4000 M³ GROUND LEVEL RESERVOIR	1	\$1,900,300.88	\$1,900,300.88
12-)	MANSO 250 m³ ELEVATED WATER TANK	1	\$721,386.96	\$721,386.96
13-)	AMANTEM 250 m³ ELEVATED WATER TANK	1	\$721,780.24	\$721,780.24
14-)	AKIM ODA NETWORK DISTRIBUTION	1	\$26,529,880.14	\$26,529,880.14
15-)	MANSO NETWORK DISTRIBUTION	1	\$2,826,731.59	\$2,826,731.59
17.1-)	AMANTEM NETWORK DISTRIBUTION	1	\$1,074,980.38	\$1,074,980.38
17.2-)	BETWEEN INTAKE- TREATMENT Horizontal EMP	2	\$123,582.21	\$247,164.42
19-)	BETWEEN CWST-DY1 Horizontal EMP	2	\$113,582.21	\$227,164.42
20-)	SERVICE ROADS	0.5	\$510,214.00	\$255,107.00
21-)	RESIDENCE AND DISTRICT OFFICE	1	\$6,180,000.00	\$6,180,000.00
22-)	ENGINEERING DESING %3	3%	\$59,089,472.61	\$1,772,684.18
23-)	TRAINING AND INSTITIONAL SUPPORT	1	\$350,000.00	\$350,000.00
23-)	GIS OFFICE, BULK AND DOMESTIC METERING	1	\$1,000,000.00	\$1,000,000.00
24-)	IRON REMOVAL PLANT (PROVISIONAL)	1	\$2,000,000.00	\$2,000,000.00
25-)	CLIENT/FACILITIES FOR THE ENGINEERING COST	1	\$2,000,000.00	\$2,000,000.00
26-)	Contingencies 5%			\$3,043,110.00
<b>TOTAL</b>				<b>\$69,255,266.79</b>



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