

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

**REPORT OF THE JOINT COMMITTEE ON
FINANCE AND HOUSE ON THE REQUEST FOR
PARLIAMENTARY APPROVAL FOR THE
PROVISION OF GUARANTEE BY THE
GOVERNMENT OF GHANA IN RESPECT OF A
CREDIT AGREEMENT BETWEEN SINO AFRICA
DEVELOPMENT COMPANY LIMITED AND
FIDELITY BANK LIMITED FOR AN AMOUNT OF
GH¢50.00 MILLION FOR THE CONSTRUCTION
AND FURNISHING OF CONSTITUENCY
OFFICES FOR MEMBERS OF PARLIAMENT**

1.0 INTRODUCTION

The Request for Parliamentary approval for the provision of Guarantee by the Government of the Republic of Ghana in respect of a Credit Agreement between Sino Africa Development Company Limited and Fidelity Bank Limited for an amount of *fifty million Ghana Cedis* (GH¢50,000,000.00) for the construction and furnishing of constituency offices for Members of Parliament was laid in the House on Friday 20th July, 2012 and referred to a Joint Committee on Finance and House for consideration and report.

The Committee met and considered the Agreement with the Deputy Minister of Finance and Economic Planning, Hon. Seth Terkper, Deputy Minister of Water Resources, Works and

Housing, Hon. Nii Nortey Dua and officials from the Ministries of Finance & Economic Planning and Water Resources, Works and Housing and hereby presents this Report to the House in accordance with Order no. 161 (1) of the Standing Orders of the House.

2.0 BACKGROUND

Ghana has been democratically governed since the promulgation of the 1992 Constitution some two decades ago. Members of Parliament have unfortunately not had the benefit of office accommodation in their constituencies to enable them perform their functions effectively and efficiently.

His Excellency the President, in his 2009 State of the Nation Address to Parliament, pledged among other things to see to the construction and furnishing of constituency offices for Members of Parliament. This pledge was reaffirmed in the President's 2010 State of the Nation Address.

In connection with this commitment, Sino Africa Development Company is undertaking the construction and furnishing of constituency offices for Members of Parliament in all 230 constituencies of the country.

The Request currently before the House is to seek Parliamentary approval to enable the Government of Ghana to provide Guarantee to cover the Credit Facility of GH¢50.00 million being contracted by Sino Africa Development Company Limited from Fidelity Bank for the project.

3.0 PURPOSE OF THE REQUEST

The purpose of the Request is to seek the approval of Parliament for Government of Ghana to provide Guarantee to cover the GH¢50.00 million loan facility between Sino Africa Development Company Limited and Fidelity Bank for the purpose of constructing and furnishing Constituency Offices for Members of Parliament.

4.0 TERMS OF THE CREDIT

The terms of the Credit are as follows:

Loan Amount	-	Up to GH¢50.00 million
Interest Rate	-	Fidelity Bank Base Rate currently at 23.34% plus a Margin of 3% (i.e. currently 23.34 + 3 = 26.34%) p.a.
Grace Period	-	12 months
Repayment Period	-	48 months
Tenure	-	60 months
Facility Fee	-	0.75% flat
Management Fee	-	0.35% flat

5.0 OBSERVATIONS

The Committee observed that Members of Parliament currently rely on family members and friends for secretarial support in the performance of their mandate. Most MPs keep their files and

documents in their motor vehicles, a situation which causes them to lose many valuable and sensitive documents.

Additionally, the time spent by Members of Parliament in their constituencies is thought of as one of the most gratifying and productive periods in the discharge of their duties as Members of Parliament. The provision of constituency offices will therefore afford MPs the opportunity to stay in constant touch with the constituents and also afford the constituents the opportunity to meet their MPs at a designated place.

The constituency offices are expected to provide reasonable office space to facilitate the work of the Member of Parliament in the constituency. The office would also promote cross-party interaction as it would be open to all constituents, irrespective of party affiliation.

Components of the building (each Constituency Office) will include the following:

- i. Entrance terrace – 8.9msq
- ii. Reception – 39msq
- iii. MPs Office – 16msq
- iv. Washroom (MP) – 3msq
- v. Store room – 5.6msq
- vi. Meeting room – 36msq
- vii. Washroom (Visitors) – 13.2msq
- viii. Kitchenette – 9msq
- ix. Lobby – 7.2msq
- x. Store room (archives) – 3.6msq

Honourable Members of the Committee emphasized that Members of Parliament are first and foremost responsible to their constituents who have elected them to serve their interest in

Parliament. The constituency office is therefore necessary to provide an avenue for constituents to present their sentiments on national issues to their MP for onward articulation in Parliament.

Deputy Majority Leader, Hon. Rashid Pelpuo indicated that the House Committee would provide effective oversight over the project to ensure that the project is executed to the highest level of quality and timeliness.

Some Members were of the view that such an important project should be funded from budgetary allocations and not through a loan. It was however explained to the Committee that even though such a scenario would have been desirable, inadequate budgetary funding could render the project uncompleted for several years; or in the alternative, only a few constituencies would benefit in any particular financial year. The Loan arrangement is made to ensure that all the constituency offices would be built and furnished at a time, whilst government makes annual budgetary allocations to amortize the loan.

On the provision of land to site the project, the Committee was informed that each Member of Parliament would be required to liaise with his/her District Assembly to provide a suitable land for the project in the Constituency.

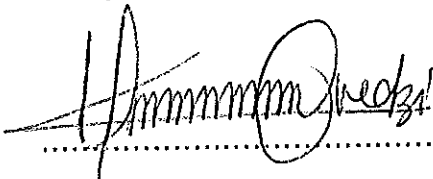
Some Honourable Members of the Committee advised that the designs of the project should incorporate water harvesting or mechanized borehole technology so as to make each constituency office self-sustainable in terms of water availability. They were particularly concerned about the provision of water to the offices given the high number of people who are expected to visit the office daily and the concomitant use of washroom and other facilities.

6.0 CONCLUSION

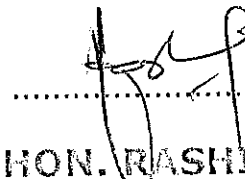
The Committee has critically examined the Request and found that its approval would be necessary to ensure the success of the project to provide constituency offices for Members of Parliament to help them discharge their mandate more effectively and efficiently.

The Committee therefore recommends to the House to adopt this report and approve by resolution, the **Provision of Guarantee by the Government of the Republic of Ghana** in respect of the **Credit Agreement** between **Sino Africa Development Company Limited** and **Fidelity Bank Limited** for an amount of *fifty million Ghana Cedis* (GH¢50,000,000.00) for the **construction and furnishing of Constituency Offices for Members of Parliament** in accordance with article 181 of the Constitution and Section 10 of the Loans Act, 1970 (Act 335).

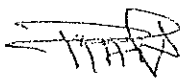
Respectfully submitted.



HON. JAMES KLUTSE AVEDZI
CHAIRMAN,
FINANCE COMMITTEE



HON. RASHID PELPUO
DEPUTY MAJ. LEADER
FOR CHAIRMAN, HOUSE
COMMITTEE



PEACE A. FIAWOYIFE
CLERK,
FINANCE COMMITTEE
30TH JULY, 2012.



for AKUA OWUSU-AGYEKUM
CLERK, HOUSE
COMMITTEE