

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

**REPORT OF THE JOINT COMMITTEE ON FINANCE AND MINES AND
ENERGY ON THE LOAN AGREEMENT BETWEEN THE
GOVERNMENT OF THE REPUBLIC OF GHANA AND UNICREDIT
BANK AUSTRIA AG FOR AN AMOUNT OF €7,655,164.00M TO
FINANCE THE ENHANCEMENT OF ROAD SAFETY – TURNKEY
IMPLEMENTATION OF PHOTOVOLTAIC-BASED (SOLAR) STREET
LIGHTING PROGRAMME FOR SELECTED COMMUNITIES**

1.0 INTRODUCTION

The Credit Agreement between the Government of the Republic of Ghana and UniCredit Bank Austria AG for an amount of seven million, six hundred and fifty-five thousand, one hundred and sixty-four Euros (€7,655,164.00) to finance the Enhancement of Road Safety – Turnkey Implementation of Photovoltaic-based (Solar) Street Lighting Programme in Selected Communities was presented to the House on Monday 13th August, 2012 and referred to a Joint Committee on Finance and Mines and Energy for consideration and report in accordance with order 171 and 188 of the Standing Orders of the House.

The Committee met with the Hon. Minister for Roads and Highways and the Hon. Deputy Minister for Finance & Economic Planning, Mr. Joe Gidisu and Mr. Seth E. Terkper respectively, and considered the referral. Present at the meeting were officials from the Ministries of Finance and Economic Planning and Roads and Highways. The Committee is grateful to the Minister, the Deputy Minister and the officials for attending upon it.

2.0 REFERENCES

In considering the Agreement, the Committee made reference to and was guided by the following documents:

1. The 1992 Constitution of the Republic of Ghana;
2. The Standing Orders of Parliament; and
3. Loans Act, 1970 (Act 335).

3.0 BACKGROUND

Road accidents are one of the major causes of death in Ghana claiming about 1,800 lives annually with 60% of the victims being in the productive ages of 18 to 55. An analysis of the road traffic accidents indicates that most of the fatal accidents occur at night where visibility is blur. The analysis further indicates that about 80% of the night-time fatal accidents occur on sections of roads without street lights. Poor visibility at night has therefore been identified as the major cause of night-time accident in Ghana.

The absence of street lights in communities along the countries highways has also increased pedestrian fatality and continues to pose a major risk to the many communities along the country's highways. Through road accidents, many children and other dependants of victims have become destitute and companies, businesses, state institutions have lost many experienced and competent employees.

The Road and Safety Improvement Project therefore seeks to install traffic signs at identified allocations where accidents are rampant. The Project will fund measures

such as lighting and traffic signals at dangerous locations on the country's highways to improve night-time visibility and to reduce the risk of road crashes.

4.0 PURPOSE OF THE AGREEMENT

The purpose of the Agreement is to obtain funds to finance the Black Spot Project by;

- a. Installation of street lights in communities along trunk roads;
- b. Installation of street lights at major junctions; and
- c. Installation of street lights at bridge approaches.

5.0 PROPOSED PROJECT

The current project consists of the following components:

- a. Engineering , design, manufacture, supply and installation of solar panels and batteries, poles, lighting equipment including cabling and construction of foundation poles;
- b. Supply and installation of traffic lights;
- c. Supply of spares, installation and maintenance tools;
- d. Road safety awareness schemes for communities and schools;
- e. Training on maintenance of street lights; and
- f. Supply of maintenance vehicles and equipment.

The detailed cost breakdown is attached to this Report.

6.0 TERMS OF THE CREDIT

The terms of the Credit Facility are as follows:

Loan Amount	-	€7,655,164.00M
Grace Period	-	7.5 years

Repayment Period	-	9.5 years
Maturity Period	-	17 years
Interest Rate	-	0.00% p.a.
Commitment Fee	-	0.25% p.a.
Management Fee	-	0.50% (Flat)
Insurance Margin	-	0.90% p.a.
Handling Fee	-	EUR 1,440.00 (Flat)
Grant Element	-	40.76%

7.0 OBSERVATIONS

- A. The Committee was informed that the Parties to the Agreement are the Republic of Ghana represented by the Ministry of Finance and Economic Planning as borrower, UniCredit Bank Austria AG as lender, Ministry of Roads and Highway acting through Ghana Highway Authority as the project buyer and Fleck ElektroinstallationenGesellschaftm.b.H. of Austria as the project exporter.
- B. The Committee noted that studies conducted by the Building and Road Research Institute (BRRI), Kumasi indicated that nearly 40% of all traffic fatalities occurred during hours of darkness and 80% of the night-time fatalities occurred in road sections with no street lights. The study showed that one of the major contributory factors to accidents on the Ofankor-Nsawam road was as a result of poor visibility. Similarly, statistics on accidents recorded between 2007 and 2009 on the N1 highway between Mallam and Kasoa showed a total of 827 accidents in which 122 people

were killed, 117 hospitalised and 221 injured. It is estimated that about 54% of the fatalities occurred during the night.

The Committee was further informed that most road fatalities in the country occurred around approaches to bridges on major rivers in the country, due to poor visibility. The Beposo Bridge on the River Pra on the Accra – Takoradi road was cited as a point prone to accidents.

C. The Committee was informed that Black Spots on the following roads were earmarked to benefit from the Road and Safety Improvement Project:

Communities along trunks roads

- i. Tema- Sogakope
- ii. Kasoa-Winneba- Cape Coast-Takoradi
- iii. Kumasi-Techiman
- iv. Sogakope-Adidome-Ho
- v. Fiesta Royale- Gimpa Junction

Major Junctions

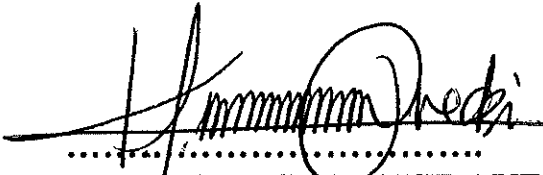
- i. Bunso Junction
- ii. Juaso Junction
- iii. Anyinam-Kade Junction
- iv. Mankraso Junction
- v. Tepa Junction

8.0 CONCLUSION

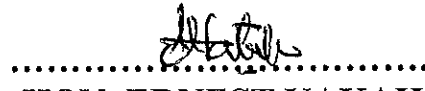
In view of the immense benefits to be derived by the country from the Project, the Committee recommends to the House to adopt this report and approve by Resolution, the Credit Agreement between the Government of the Republic of

Ghana and UniCredit Bank Austria AG for an amount of seven million, six hundred and fifty-five thousand, one hundred and sixty-four Euros (€7,655,164.00) to finance the Enhancement of Road Safety – Turnkey Implementation of Photovoltaic-based (Solar) Street Lighting Programme in selected communities in accordance with Article 181 of the Constitution and Sections 3 and 7 of the Loans Act, 1970 (Act 335).

Respectfully submitted.



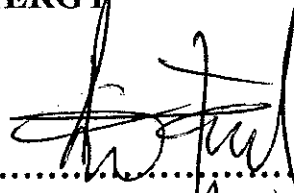
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HON. JAMES KLUTSE AVEDZI
CHAIRMAN,
FINANCE COMMITTEE



.....
HON. ERNEST YAKAH
VICE CHAIRMAN,
COMMITTEE ON MINES &
ENERGY



.....
PEACE A. FIAWOYIFE
CLERK,
FINANCE COMMITTEE



.....
CAMILLO PWAMANG
CLERK, COMMITTEE ON
MINES & ENERGY

Schedule of Requirements

Annex I

Bill of Quantity / Price Schedule (Price in EURO)

		Price/Unit	Unit	Quantity	Gross Total
1	Preliminaries	155,500	lump sum	1	155,500
2	Design & Engineering				
2.1	Design of poles and lights and design of foundation	44,000	lump sum	1	44,000
3	Supply of lighting poles				
3.1	lighting pole including photovoltaic panel, cabling and Battery	3,787	set	1.125	4,260,100
3.2	Illuminated traffic signs	938	set	250	234,500
4	Spare Parts	203,500	set	1	203,500
5	Construction of foundation and erection of poles, installation of pv-panels, lamps and batteries	1,165	set	1.125	1,310,440
6	Installation Manuel (3 copies)	34,500	lump-sum	1	34,500
7	Maintenance Manuel – (10 copies)	34,500	lump-sum	1	35,500
8	Installation and Maintenance equipment and tools		set		34,800
9	Project Management	19,450	month	18	395,000
10	Transport Vehicles				
10.1	Pick-ups	28,000	unit	2	56,000
10.2	Station wagon	46,000	unit	2	92,000
10.3	Trucks with lifting platform	198,750	unit	2	397,500
11	Pre-shipment inspection	6,000	unit	4	24,000
12	Inspection and Training abroad				
12.1	Inspection and training abroad	42,000	unit	1	42,000
12.2	Comparison study tour	47,000	unit	1	47,000
12.3	Training Program for technicians	30,000	unit	1	30,000
13	Road Safety Awareness Program				
13.1	Awareness Program	120,800	lump-sum		120,800
13.2	Tools for Awareness Program	39,500	set	1	37,700
14	Contingencies				100,324
Total					7,655,164