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

**REPORT OF THE FINANCE COMMITTEE  
ON THE ADDITIONAL LOANS OF DM 549,700  
BETWEEN THE REPUBLIC OF GHANA AND THE FEDERAL  
REPUBLIC OF GERMANY TO FINANCE THE VILLAGE  
INFRASTRUCTURE PROJECT (VIP)**

**1.0 INTRODUCTION**

The above Additional Loan Agreement was laid in the House on November 1999 in accordance with Article 181 of the Constitution and referred to the Finance Committee for consideration and report pursuant to Order 171 (1) of the Standing Orders.

The Committee met with the Deputy Minister of Food and Agriculture and Cocoa Affairs Hon. Asiedu Nketia and reports as follows:

**2.0 BACKGROUND**

The House would recall that on 24<sup>th</sup> July, 1998 it approved by a resolution the Loan Agreement of DM 15.0 million from the German Government for the financing of various priority projects among which included the Village Infrastructure Project which was allocated DM10.0 million.

The V.I.P. project is intended to support the Government's effort at poverty alleviation and to improve the quality of life of the rural poor through increased transfer of technical and financial resources to develop basic sustainable village-level infrastructure.

Prior however to the issue of a legal opinion by the Attorney-General's Department to make the loan effective for disbursement, KFW made available an additional amount of DM549,700 thus increasing the loan amount to a total of dM10,549,700.00

**3.0 PURPOSE OF ADDITIONAL LOAN**

The additional loan of DM549,700 would be used exclusively to finance rural infrastructure in the fields of:

- (a) Agro-economic water supply
- (b) Rural transportation
- (c) Post harvest protection (Project)

**4.0 TERMS AND CONDITIONS**

The terms and conditions of the loan are the same as those of the principal loan approved on 24<sup>th</sup> July, 1998.

Interest Rate	-	0.75% per annum
Grace Period	-	10 years
Commitment Charge	-	0.25% per annum

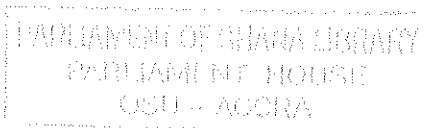
## 5.0 RECOMMENDATION

The Committee recommends to the House the approval of the **additional loan of DM549,700** between the Government of the Republic of Ghana and the Federal Republic of Germany (through KFW) to finance the Village Infrastructure Project (VIP) in accordance with Article 181 of the Constitution and Section 7 of the Loans Act, 1976 Act 335.

Respectfully submitted.

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**HON. CDRE S.G. OBIMPEH (RTD)  
CHAIRMAN**



A handwritten signature in black ink, appearing to read 'Asante Amoako-Atta', written over a horizontal line.

**ASANTE AMOAKO-ATTA  
CLERK TO THE COMMITTEE**

DECEMBER, 1999