

REPORT OF THE JOINT COMMITTEES ON FINANCE AND ROADS AND TRANSPORT ON THE CONCESSIONARY CONTRACT AGREEMENT (UNDER A PUBLIC PRIVATE PARTNERSHIP ARRANGEMENT) BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA (REPRESENTED BY THE MINISTRY OF ROADS AND HIGHWAYS [ACTING THROUGH THE GHANA HIGHWAYS AUTHORITY] AND ATEP LIMITED { A WHOLLY OWNED SUBSIDIARY OF THE GHANA INFRASTRUCTURE INVESTMENT FUND [GIIF], AS THE EMPLOYER (ACTING THROUGH MARIPOMA ENTERPRISE LIMITED, AS THE CONTRACTOR) } FOR AN AMOUNT OF THREE HUNDRED AND THIRTY EIGHT MILLION, EIGHT HUNDRED AND NINETY - SEVEN THOUSAND, FIVE HUNDRED AND FORTY-THREE UNITED STATES DOLLARS AND FIFTY-SIX CENTS (US\$338,897,543.56) FOR THE REDEVELOPMENT AND EXPANSION OF THE ACCRA - TEMA MOTORWAY EXTENSION PROJECT.

1.0 INTRODUCTION

The Hon Minister responsible for Roads and Highways, Mr Kwasi Amoako-Attah on Wednesday, 6th December, 2023 laid before the House, the Concessionary Contract Agreement (under a Public Private Partnership Arrangement) between the Government of The Republic of Ghana (Represented by the Ministry of Roads And Highways [Acting through the Ghana Highways Authority] And ATEP Limited] { A wholly owned Subsidiary of the Ghana Infrastructure Investment Fund [GIIF], as the employer (acting through Maripoma Enterprise Limited, as the Contractor) } for an amount of Three Hundred and Thirty-Eight Million, Eight Hundred and Ninety - Seven Thousand, Five Hundred and Forty-Three United States Dollars and Fifty-Six Cents (US\$338,897,543.56) for the Redevelopment and Expansion of the Accra - Tema Motorway Extension Project.

The Concessionary Agreement was referred to the Joint Committee on Finance and Roads and Transport for consideration and report in accordance with articles 103 and 75 of the 1992 Constitution of the

Republic of Ghana and Orders 171(1) and 189 of the Standing Orders of Parliament.

The Committee met with the Hon Ministers for Finance and Roads and Highways, Mr Ken Ofori-Atta and Mr Kwasi Amoako-Attah, the Hon Deputy Minister for Roads and Highways, Mr Stephen Pambiin Jalulah and Officials from both Ministries of Finance and Roads and Highways on Tuesday 12 December, 2023 and considered the referral. The Committee is grateful to both Ministers and their team for assisting the Joint Committee in its deliberations.

2.0 REFERENCE DOCUMENTS

The Committee in considering the referral made reference to the following documents;

- i. The 1992 Constitution of the Republic of Ghana,
- ii. The Standing Orders of Parliament,
- iii. The Public Private Partnership Act, 2020 (Act 1039)
- iv. The Public Procurement (Amendment) Act, 2016 (Act 914)
- v. The Concessionary Contract Agreement (Under A Public Private Partnership Arrangement) between the Government of the Republic of Ghana (Represented by the Ministry of Roads And Highways [Acting through The Ghana Highways Authority] And ATEP Limited { A Wholly Owned Subsidiary of the Ghana Infrastructure Investment Fund [GIIF], as the employer (acting through Maripoma Enterprise Limited, as the Contractor) } for an amount of Three Hundred And Thirty-Eight Million, Eight Hundred And Ninety – Seven Thousand, Five Hundred and Forty-Three United States Dollars and Fifty-Six Cents (US\$338,897,543.56) for the Redevelopment and Expansion of the Accra – Tema Motorway Extension Project.

3.0 BACKGROUND

The Concession Agreement is between the Republic of Ghana represented by the Ministry of Roads and Highways (MRH) acting through the Ghana Highway Authority as the Contracting Authority and ATEP Limited, a subsidiary of the Ghana Infrastructure Investment Fund (GIIF) as the

Concessionaire for the grant of a concession for the redevelopment and expansion of the Accra-Tema Motorway and Extensions Project (“the Project”).

The project comprises three sections of the national road network in Ghana being two sections on the N1 and a related link between N6 and N1 as follows:

- Section 1 – the Accra Tema Motorway, 19.5km
- Section 2 – George Bush Highway, 5.7km and.
- Section 3 – a portion of the Nsawam Road (N6) linking to the N1 (from Neoplan interchange to Apenkwa) 2.5km

The project also comprises of the operation and maintenance of the road, including road toll system on certain Sections. The execution of the project will occur in the order as stated above. The project is part of the international transit corridors in the West African sub-region, which will serve as a link between the capital city Accra and the Tema Port to the Northern part of the country as well as the land-locked Sahelian regions of West Africa. The project seeks to address the issue of bottleneck that has plagued this corridor.

In 2019, the Government of Ghana (GoG) initially sought a Private Public Partnership for the implementation of the project. However, this was unsuccessful and was communicated to the Public Procurement Authority (“PPA”) in a letter dated November 25, 2020 and referenced: GHA/Cont.31/SF.9c/77. The GoG entered into a Design and Build Contract (D&B Contract) in December, 2020 with the preferred bidder and the PPA subsequently giving approval.

To pursue the project, the GoG, represented by the Ministry of Road and Highways (MRH) and the Ministry of Finance (MoF) executed a Memorandum of Understanding (MoU) dated April 28, 2021. In the Memorandum of Understanding, it was agreed that the GIIF acting through its subsidiary, ATEP Ltd, will be granted a concession for the

implementation of the project. It was also required by the MoU that the earlier D&B Contract be terminated.

4.0 JUSTIFICATION FOR GOVERNMENT ACTION

The project was necessitated by the rapid deterioration of section 1 causing traffic congestion. It is paramount that modern and efficient road infrastructure be provided to ensure sustainable socioeconomic development, as it aligns with national and sub-regional objectives of improving connectivity and facilitating trade in the West African sub-region.

5.0 FINANCIAL DETAILS

The Government of Ghana (GoG) through the Ministry of Finance (MoF) will fully fund Section 1 through a multi-year appropriation of the total cost for the completion of the Section 1. The GoG funds will be disbursed in the following tranches: \$125m in 2023; \$102m in 2024; and \$153m in 2025. The various tranches will be paid in instalments by GoG through GIIF to ATEP Limited. The project is to be funded from the ABFA and as such the schedule of disbursement will be aligned with the payment schedule under the EPC Contract to minimise any contingent obligations to GoG.

6.0 INTER-MINISTERIAL/AGENCY CONSULTATIONS

To ensure the successful implementation of the project, representatives from the Ministries of Roads and Highways, Finance, Office of the Attorney-General, Ghana Highway Authority (GHA), GIIF, technical and tax advisors were consulted. The group has subsequently developed the project structure and relevant agreements for approval.

7.0 INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

The project will be GIIF's first road project in Ghana. Per the Ghana Highway Authority Act, 1997 (Act 540) the project site is under the purview of Ghana Highway Authority, who is also responsible for the development and maintenance of the trunk road network.

ATEP Ltd will appoint a multi-disciplinary team of experts to serve as an independent project advisory team which would provide independent advice to ATEP Ltd in accordance with best practice.

8.0 OBJECTIVE OF THE PROJECT

The objective of the project addresses the traffic bottleneck, and the delay on the corridor. It is also to ensure the improvement of transportation from the Tema port to other parts of Ghana and the Sahelian countries in order to enhance trade through better accessibility to the Tema Port; to reduce accident; and to improve emergency response so that lives and property are protected.

9.0 SCOPE OF THE PROJECT

The Accra- Tema Motorway Road which would consist of 10 lanes, spans from Tema and continues through Fiesta Royal Hotel to the Apenkwa Bridge and to the Neoplan Stretch. The current Tetteh Quarshie Interchange will be remodelled to reduce the current traffic congestion on the road. The project is scheduled to be completed 36 months after commencement.

10.0 OBSERVATIONS AND RECOMMENDATION

- Under the Concession Agreement, the Ghana Infrastructure Investment Fund (GIIF) is expected to pay 1 % of the revenue accrued to the Ministry of Roads and Highways.
- The Accra-Tema Motorway Project is expected to enhance economic efficiency by facilitating smoother transportation of goods and passengers, leading to reduced cost.
- The upgraded motorway would boost supply chain efficiency, cut transportation cost, stimulate economic growth, attract investments and create jobs benefitting local communities.

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- The concession period is for 30 years for GIIF to build and manage the road, after which the asset would revert to the Ministry of Roads and Highways
- The Committee was happy to note that the entirety of the project would be awarded to a local contractor.

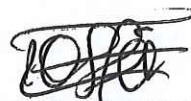
11.0 CONCLUSION

The Committee hereby recommends to the House to adopt the Concessionary Contract Agreement (Under a Public Private Partnership Arrangement) Between the Government of the Republic of Ghana (Represented by the Ministry of Roads and Highways [Acting through the Ghana Highways Authority] and ATEP Limited {A Wholly Owned Subsidiary of the Ghana Infrastructure Investment Fund [GIIF], as the employer (acting through Maripoma Enterprise Limited, as the Contractor) } for an amount of Three Hundred And Thirty-Eight Million, Eight Hundred And Ninety – Seven Thousand, Five Hundred and Forty-Three United States Dollars and Fifty-Six Cents (US\$338,897,543.56) for the Redevelopment and Expansion of the Accra – Tema Motorway Extension Project.

Respectfully submitted.



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