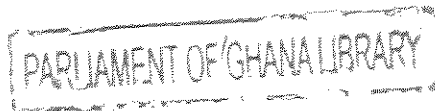


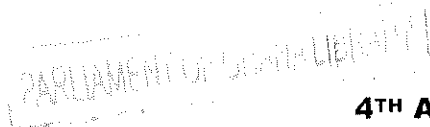
**IN THE FOURTH SESSION OF THE SEVENTH
PARLIAMENT OF THE FOURTH REPUBLIC OF
GHANA**



**REPORT OF THE JOINT COMMITTEE OF
ROADS & TRANSPORT AND WORKS &
HOUSING**

ON THE

**COMMERCIAL CONTRACT AGREEMENT
BETWEEN THE GOVERNMENT OF THE
REPUBLIC OF GHANA (REPRESENTED BY THE
MINISTRIES OF TRANSPORT AND WORKS AND
HOUSING) AND BELLSEA LIMITED AND
INTERNATIONAL MARIN AND DREDGING
CONSULTANTS FOR AN AMOUNT OF EIGHTY-
FIVE MILLION EUROS (€85,000,000.00) TO
EXECUTE THE ELMINA FISHING PORT
REHABILITATION AND EXPANSION PROJECT**



4TH APRIL, 2020

ACC NO: 3006 C1

Class NO: CR1 - G/BMD/20

REPORT OF THE JOINT COMMITTEE ON ROADS AND TRANSPORT AND WORKS AND HOUSING ON THE COMMERCIAL CONTRACT AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA (REPRESENTED BY THE MINISTRIES OF TRANSPORT AND WORKS AND HOUSING) AND BELLSEA LIMITED AND INTERNATIONAL MARINE AND DREDGING CONSULTANTS FOR AN AMOUNT OF EIGHTY-FIVE MILLION EUROS (€85,000,000.00) TO EXECUTE THE ELMINA FISHING PORT REHABILITATION AND EXPANSION PROJECT

1. INTRODUCTION

On Tuesday, 31st March 2020, the Commercial Contract Agreement between the Government of the Republic of Ghana (represented by the Ministries of Transport and Works and Housing) and BellSea Limited and International Marine and Dredging Consultants for an amount of Eighty-Five Million Euros (€85,000,000.00) to execute the Elmina Fishing Port Rehabilitation was presented to Parliament by the Minister for Works and Housing, Mr. Samuel Atta Akyea on behalf of the Minister for Transport, Mr. Kwaku Ofori Asiamah.

The Contract Agreement was referred to the Joint Committee on Roads and Transport and Works and Housing for consideration and report in accordance to Article 103 of the 1992 Constitution and Orders 180 and 189 and of the Standing Orders of Parliament

The Committees are grateful to the Minister for Transport, Hon. Kwaku Ofori Asiamah, Hon. Samuel Atta Akyea, Minister of Works and Housing and the officials from both Sector Ministries for assisting the Joint Committee.

2. REFERENCE DOCUMENTS

- i. The 1992 Constitution.
- ii. The Standing Orders
- iii. Commercial Contract Agreement between the Government of the Republic of Ghana (represented by the Ministries of Transport and Works and Housing) and BellSea Limited and International Marine and Dredging Consultants for an amount of Eighty-Five Million Euros (€85,000,000.00) to execute the Elmina Fishing Port Rehabilitation Region.

3. BACKGROUND

Elmina is a town on the south coast of Ghana in the Central Region, situated on a south-facing bay on the Atlantic Ocean coast of Ghana, 12km West of Cape Coast and 140 km of Accra. Due to its history, Elmina has several popular tourist attractions of which Elmina Castle is best known. Aside tourism, the main economic activity of Elmina is fishing.

It may be recalled that on Thursday, 8th December, 2005, Cabinet considered a Memorandum submitted jointly by the Ministers of Water Resources, Works and Housing and Finance. Approval was conveyed for the ratification by Parliament for a mixed credit financing offer from the Government of the Kingdom of Belgium and KBC Bank NV for an amount of EUR 12,138,185.00 for the financing of immediate and medium term works on Elmina Benya Lagoon Restoration Project.

This project is therefore a continuation of the facelift project of the Elmina short and medium term plan and in line with the ongoing programme to rehabilitate and construct Fishing Ports and Landing Sites along the Coast.

Together with the upgrade of the existing port and the development of the new fishing port, a newly-developed waterfront will have a significant positive influence on tourism activities in Elmina, thus increasing both fishing and tourism activities which will create additional jobs and boost the local economy.

4. OBJECTIVES OF THE PROJECT

The objectives of the project are to improve the fishing industry to meet international standards and to increase fish quality to meet demands.

The project will provide for

- i. The creation of a new harbour accessible to new generation of fishing vessels and canoes
- ii. The restoration of the quay wall
- iii. The restoration of the lagoon by enlarging the tidal area
- iv. The urban planning of the lagoon area and

- v. Helping the local authorities in establishing a manual for the long-term maintenance and monitoring system of the accessibility of the harbour and the lagoon by means of knowledge transfer

5. SCOPE OF WORKS

The Elmina Fishing Port Rehabilitation and Expansion Project entails the following:

Under the project of the Elmina Fishing Port and Waterfront Development Project, the existing facilities, that is

- i. Administrative building
- ii. Fish market
- iii. Workshop in the existing fishing port will be upgraded
- iv. Construction of a shed for fishing net mending
- v. Construction of toilet blocks and
- vi. Construction of a daycare centre

The construction of a new fishing harbour will include

- i. A main breakwater with quay wall (East)
- ii. A lee breakwater with quay wall (North), optimally utilizing the old main (head) breakwater
- iii. A basin area with target depth of -3 to -5 cm CD
- iv. 400m of quay wall for the vessels to moor and offload
- v. A dedicated access road and
- vi. A warehouse north of the quay.

A new port recreational area development which will include

- i. Restoration of the area in front of the castle, including pavement of the area in front of the market and the castle
- ii. Landscaping and general improvements to the aesthetical attributes of the area surrounding the waterfront

6. OBSERVATIONS AND RECOMMENDATION

i. Cost of Project

The Committee noted that the total project cost for the civil works including consultancy is €85,000,000.00 and it covers the development which will provide safe passage and moving of large and modern fishing vessels, canoes on the Benya Lagoon. The project is a turnkey project but allows for variation.

ii. Payment Structure

The payment structure for the Contract shall be in the form of a buyer credit offered by Rabobank & Commerzbank to the Republic of Ghana, (Ministry of Finance and Economic Planning and supported by the Belgian Export Credit Authorities (CREDENDO). An advance payment of 20% of the Contract Price shall be paid as a drawdown under the credit agreement while the remaining 80% would be paid to the contractor as per the terms and conditions of the credit agreement pro rata the value of services rendered and certified by the Consultation.

iii. Advance Payment Guarantee

The Committee noted that a provision has been made for an Advance Payment of 20% of the Contract Price. This amount the Committee further noted could only be paid after the Contractor has presented to the Employer, an approved Advance Payment Guarantee from a reputable bank in a form approved by the Employer for the full value of the Advance Payment. The Committee also noted that the Advance Payment shall not be subject to retention but be repaid by way of reduction of the amount of the Interim Payment Certificate until it has been paid in full. The Committee considers this as a fair industry practice which must be continued.

iv. Performance Security Guarantee

The Committee noted that as part of the safeguard measure to cause the Contractor to perform on schedule and to specifications, the Contractor is required to deliver to a Performance Guarantee of 10% from a reputable bank to the Employer within 28 days after the date the Agreement comes into force, a Performance Security in the form approved by the Employer.

The Performance Security shall only be returned to the Contractor within 21 days after the Employer has taken over the whole of the Works stipulated in Clause 8 of the Contract.

v. Project Components

The Committee noted that the project would be executed in two phases. This involves

- i. Site investigation
- ii. Studies and design for port related infrastructure
- iii. Studies and design for civil works
- iv. Dredging scope

The other phase involves:

- i. Programme management, main constructional works and
- ii. Operations and maintenance management to ensure its sustainability

vi. Project Duration

The project would be completed in 30 months from its commencement date.

vii. Institutional and Implementation Arrangement

The Committee noted and was of the considered opinion that institutional representation should include the local fisher folks in terms of a representation on the project steering committee.

viii. Stakeholder Consultation

The Ministry informed the Committee that there have been broad inter-ministerial stakeholder consultations among the Ministries of Finance, Roads and Highways, Ministry of Transport, Works and Housing, Tourism, Fisheries, Environment Science and Technology and Innovation, Local Government and Rural Development and the Central Regional Coordinating Council.

ix. Consultancy Supervision Services

The Committee noted that under the terms of the agreement an external consultant would be appointed by government to provide Engineering

Services including Design, Studies and Investigations. Further the consultant would provide project management and supervise the contractor's works.

The Committee took cognisance that the Ministries of Transport and Works and Housing will be providing in-house consultancy services in collaboration with the external consultants with representation from the Ghana Ports and Harbours Authority (GPHA), who will be responsible for the port expansion works, the Architectural and Engineering Services limited (AESL) for civil work whilst Department of Hydrology will be responsible for Marine works.

x. Value for Money Audit

The Committee noted that Value for Money Audit Report was not attached to the Contract though it is among the conditions precedent before the contract could come into full force and effect. The Committee was assured that decisions of the negotiations, including suggestions made during the Committee's deliberations would to be incorporated into the final design to allow for a comprehensive Value for Money Audit to be conducted. The Ministry, therefore, promised to furnish the Committee with a copy of the report upon completion.

xi. Bill of Quantities (BoQ)

The Committee also noted that though the contract was yet to be signed, a detailed Bill of Quantities (BoQ) was attached for the information of the Committee. The Committee lauds this but urges the Ministry to ensure that the rates quoted therein are at least maintained.

The Committee also realised that the Method of Measurement of the Quantities was not specified and urges the Ministry to ensure that the Civil Engineering Standard Method of Measurement (CESMM) is adopted and use a standard of measurement of Works.

xii. Project as a Social Impact Project and Environmental Impact Assessment

The Committee was informed that the project should not only be seen in terms of its commercial viability but also as a project meant to improve the welfare of the people of Elmina and its environs as it would enhance their socio-economic livelihood.

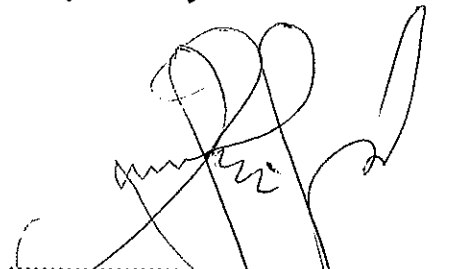
The Committee was assured that an environmental impact assessment has been undertaken on the project.

7. CONCLUSION

The Joint Committee having scrutinised the referral, views the project as one of national importance that will ensure socio-economic benefits to the people of Elmina and its environs. The project strengthens Governments efforts towards poverty reduction and improved economic development and giving a boost to the fishing industry in Elmina and increase fish consumption and also expand its potential for exports.

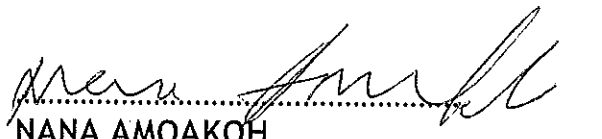
The Joint Committee unanimously recommends to the House to adopt its report and approve the Contract Agreement between the Government and BellSea Limited and International Marin and Dredging Consultant for an amount of Eighty-Five Million Euros (€85,000,000.00) to execute the Elmina Fishing Port Rehabilitation and Expansion Project.

Respectfully submitted.

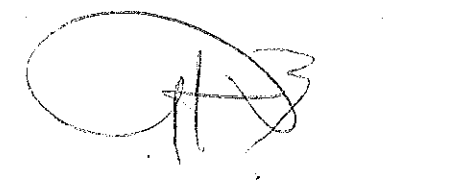


.....
MR. SAMUEL AYEH-PAYE
CHAIRMAN, COMMITTEE ON
ROADS & TRANSPORT

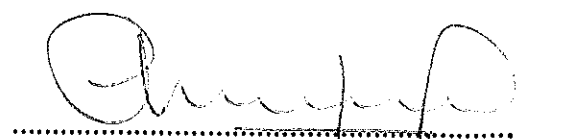
PARLIAMENT OF GHANA



.....
NANA AMOAKOH
CHAIRMAN, COMMITTEE ON WORKS &
HOUSING



.....
MR. ASANTE AMOAKO-ATTA
CLERK, COMMITTEE ON
ROADS & TRANSPORT



.....
MRS. ROSEMARY ARTHUR-SARKODIE
CLERK, COMMITTEE ON WORKS &
HOUSING