

THE FIRST SESSION OF THE SEVENTH PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA



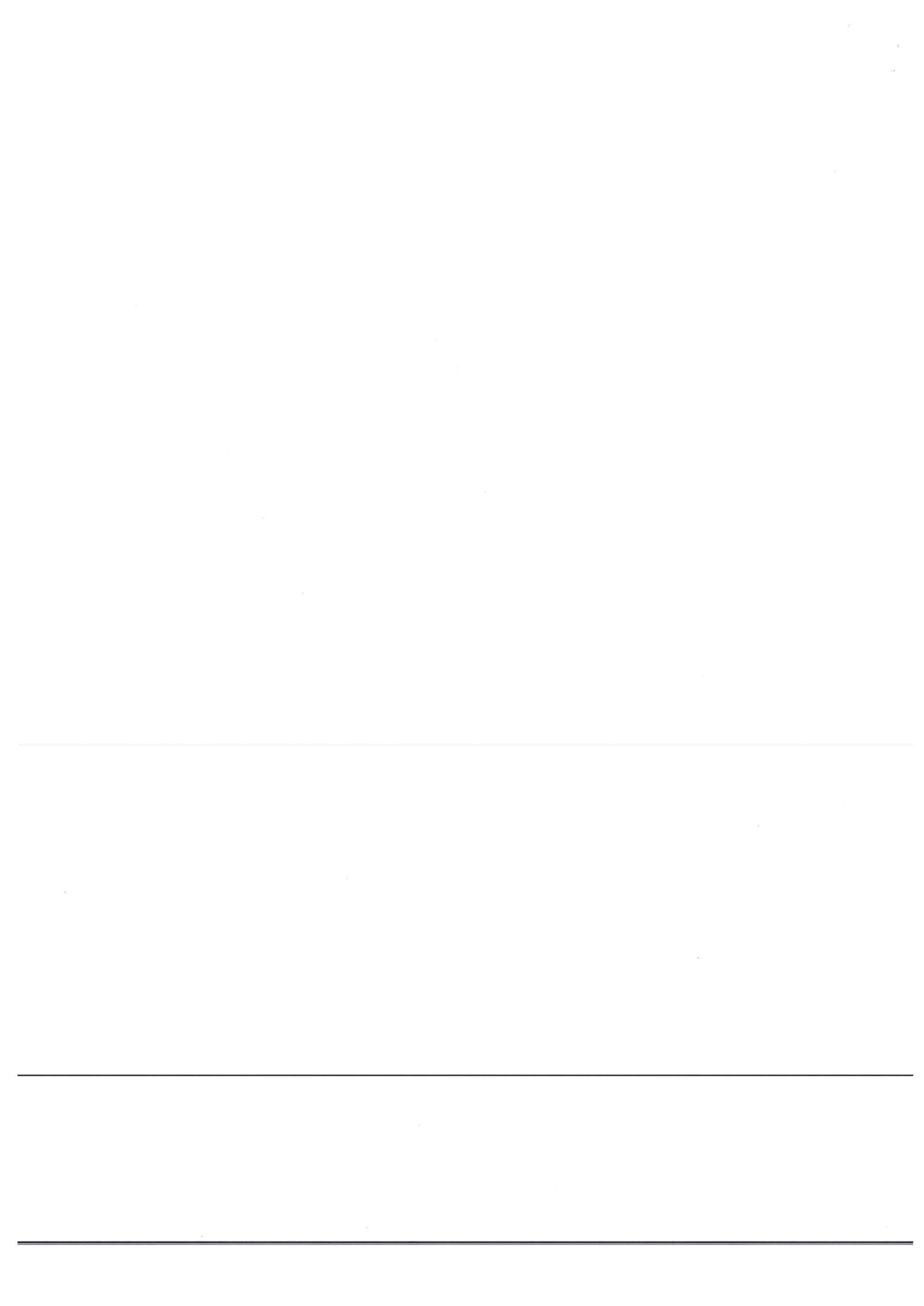
**REPORT OF THE
FINANCE COMMITTEE**

ON THE

**LOAN AGREEMENT BETWEEN THE REPUBLIC OF
GHANA AND SOCIETE GENERALE GHANA LIMITED FOR
AN AMOUNT EQUIVALENT TO TWO MILLION UNITED
STATES DOLLARS FOR THE PURCHASE OF MEANS OF
TRANSPORT FOR MEMBERS OF THE COUNCIL OF STATE**



7TH APRIL, 2017



1.0 INTRODUCTION

The Loan Agreement between the Government of the Republic of Ghana and Societe Generale Ghana Limited for an amount equivalent to Two Million United States Dollars (US\$2,000,000) for the purchase of vehicles for use by Members of the Council of State was laid in the House on Friday, 7th April 2017 and referred to the Finance Committee for consideration and Report.

The Committee met and considered the Bill with the Chief Director and other officials from the Ministry of Finance.

The Committee is grateful to the Chief Director and the officials from the Ministry of Finance for attending upon the Committee.

The Committee hereby presents its Report to the House Loan Agreement under reference.

2.0 PURPOSE OF THE AGREEMENT

The purpose of the Agreement is to obtain funds to finance the purchase of means of transport for Members of the Council of State.

3.0 TERMS OF THE FACILITY

The terms of the medium term facility are as follows:

Loan Amount	US\$2 million
Repayment Period	46 months
Maturity Period	46 months
Interest Rate (Cedi component)	20% fixed
Interest Rate (Dollar component)	5.5% fixed
Arrangement Fee	0% flat



Facility Fee 0% flat

Processing Fee 0% flat

4.0 OBSERVATIONS

4.1 Drawdown

The Committee observed that 50% of the Loan shall be drawn in Ghana Cedis (The exchange rate shall be the median of the bank's dollar selling and buying rate on the day of disbursement) whilst the remaining 50% is drawn in US Dollars.

4.2 Repayment

Council of State Members are required to make forty-six (46) equal monthly principal instalments of the cedi equivalent of US\$21,276.59 whilst the Ministry of Finance is also required to make fifteen (15) equal quarterly payments of principal instalment of US\$66,666.67.

4.3 Conditions Precedent

Government is required as part of the conditions precedent to the effectiveness of the Facility to

- Execute the SG Ghana Standard Facility Agreement
- Submit a Parliamentary Approval
- Undertake to use the end of service benefit of Council of State Members to pay off any unpaid amount; and
- Assign the interest of the Council of State in the Vehicles to be purchased by its Members.

4.4 Conditions of Service of Members of Council of State

The Committee observed that as part of the Edu-Buandoh Report on conditions of service for Article 71 Office Holders, Members of the Council of State are required to be provided with official vehicles or be reimbursed for the cost of transportation to attend meetings.

Members therefore enquired to know why a loan was being procured for that purpose.

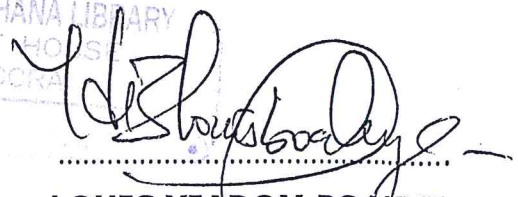
It was explained to the Committee that Members of the Council wanted more durable vehicles for which reason they were prepared to bear half the cost.

5.0 CONCLUSION

The Committee after carefully examining the Agreement respectfully recommends to the House to adopt this Report and approve by Resolution, the Loan Agreement between the Government of the Republic of Ghana and Societe Generale Ghana Limited for an amount equivalent to **Two Million United States Dollars (US\$2,000,000.00)** for the purchase of means of transport for **Members of the Council of State.**

Respectfully submitted.


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HON. DR. MARK ASSIBEY-YEBOAH
(CHAIRMAN, FINANCE COMMITTEE)


.....
LOUIS YIADOM BOAKYE
(ASST CLERK, FINANCE COMMITTEE)

PARLIAMENT OF GHANA LIBRARY
PARLIAMENT HOUSE
OSU - ACCRA

7TH APRIL 2017

