

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

REPORT OF THE

FINANCE COMMITTEE

ON THE

**LOAN AGREEMENT BETWEEN THE GOVERNMENT OF
THE REPUBLIC OF GHANA AND THE EXPORT-
IMPORT BANK OF KOREA FOR AN AMOUNT IN
KOREAN WON NOT EXCEEDING THE EQUIVALENT
OF NINETY MILLION UNITED STATES DOLLARS (US\$
90,000,000.00) TO FINANCE THE ESTABLISHMENT
OF THE UNIVERSITY OF ENVIRONMENT AND
SUSTAINABLE DEVELOPMENT (UESD), BUNSO
CAMPUS PROJECT**

10TH JULY, 2018

1.0 INTRODUCTION

Loan Agreement between the Government of the Republic of Ghana and the Export-Import Bank of Korea for an amount in Korean Won not exceeding the equivalent of Ninety Million United States Dollars (US\$ 90,000,000.00) to finance the Establishment of the University of Environment and Sustainable Development (UESD), Bunso Campus Project was laid in the House on Tuesday, 19th June, 2018 and referred to the Finance Committee for consideration and report in accordance with the 1992 Constitution and the Standing Orders of Parliament.

The Committee met with the Minister for Education, Hon. Dr. Matthew Opoku Prempeh, the Minister of State for Tertiary Education, Hon. Prof Kwesi Yankah, a Deputy Minister for Finance, Hon. Abena Osei Asare, Dr. Yaw Osei Adutwum, a Deputy Minister for Education and the technical teams from the Ministries of Finance and Education to consider the Report.

2.0 REFERENCE DOCUMENTS

The Committee referred to the following documents during its deliberations:

1. The 1992 Constitution of the Republic of Ghana
2. The Public Financial Management Act, 2016 (Act 921)
3. The University of Environment and Sustainable Development Act, 2015 (Act 878)
4. The Hansard of 28th October, 2016
5. The Hansard of 2nd November, 2016
6. The Standing Orders of Parliament of Ghana

3.0 BACKGROUND

Ghana's Developmental Progress hinges on sound environmental practices towards attaining sustainable development for a sustainable future. This assertion has been reinforced globally by the United Nations with special focus on less developed countries.

In order to successfully build human capacities and to enhance equitable access to education at all levels, the Ghanaian Government seeks to establish at least one full-scale public university, distinct from technical universities in all the regions of Ghana.

4.0 PURPOSE OF THE PROJECT

The purpose is to establish a UESD campus at Bunso, Eastern Region with the view to improving equitable access to tertiary education in the region. The aim is to establish a center of excellence in agro-entrepreneurship, engineering and technology training and research especially in Ghana and in Africa. The University will focus firstly on satisfying the human resource demand from Ghana's local and national industries.

5.0 SCOPE OF THE PROJECT

The Scope of the Project involves:

- Construction of the University of Environment and Sustainable Development (USED) Campus at Bunso in the Eastern Region;
- Provision of appropriate and required equipment for the laboratories and workshops;
- Capacity building of staff;
- Post-project operational support; and
- Consulting services.

5.1 Project Cost

The total cost of the project is estimated at US\$107,563,054 of which US\$90,000,000 is to be borne by the Korean Government under the EDCF facility and the Government of Ghana is expected to bear US\$17,563,054. The estimated cost of the Project is attached as Appendix 1

6.0 TERMS AND CONDITIONS OF THE CREDIT

The terms and Conditions of the loan are as follows:

Loan Amount	-	Equivalent of US\$90,000,000
Interest Rate	-	0.1%
Maturity	-	40 years including a grace period of 10years
Currency Denomination-		Korean Won
Repayment	-	Equal semi-annual installments after the grace period

Following this development and from the recommendations of the feasibility study, the Exim-bank of Korea agreed to finance the construction of a campus of the University at Bunso.

According to the Minister for Education, the Bunso site is located within the research catchment area of a number of Agricultural Agencies including the Cocoa Research Institute, the Cocoa college, University College of Agriculture and Environmental Studies (UCAES) and the Council for Scientific Research and Industrial Research. The location would help to establish the Campus as a center of excellence in agro-entrepreneurship and engineering. It would also serve as a technology training and research center in Africa.

7.3 Whether the selection of Bunso was in breach of Act 878

The Minister explained that the Act envisages campuses of the University to be at Somanya, Donkorkrom and any other place that may be determined by the Council. He understood the provision to imply that the campuses of the University should include campuses at Somanya, Donkorkrom and any other place that the Council would determine.

The Committee was informed that Government has always been committed to building one of the campuses of the University at Donkorkrom. However, the exigencies of this loan dictated the need to locate the Campus in Bunso.

7.4 Whether constructing a School of Agriculture at Bunso is not a duplication

The Committee observed that the University already is constructing a School of Agriculture at the Somanya Campus and expressed its reservation on constructing another one at Bunso.

The Minister of State in charge of Tertiary Education explained that the determination of schools and departments was based on an interdisciplinary and entrepreneurship curriculum. Further the school to be established in Bunso seeks to depart from the traditional academic programmes which are at variance to industry requirements and also differ from the curriculum of the Somanya School of Agriculture.

He gave examples of the interdisciplinary and challenge based programmes to include:

1. Drone Technology
2. Renewable Energy
3. Internet of Things (IoT) for Agriculture
4. Commercialization of Bio-Resources

campus of the University and therefore in its absence, a campus cannot be established.

The Minority argued that even though the Minister for Education informed the Committee that he has an Executive Authority to act in the absence of both the Governing Council and the Interim Council, there was no documentary proof to support his assertion. The Minority added that the documentary proof was necessary in order to determine whether or not the Minister for Education had power to establish a campus of the University.

8.0 QUESTION PUT


After careful deliberations, the Chairman put the question whether the Committee should recommend to the House for approval of the loan Agreement. The decision was taken through a division in accordance with Order 211 of the Standing Orders of the House. By nine (9) votes to seven (7), the Committee recommended the approval of the Loan Agreement to the House.

9.0 CONCLUSION

Considering the benefits the communities and the country stand to gain from undertaking this project and the immense socio-economic benefits to be derived from the project, the Committee is of the view that the request is in the right direction.

The Committee by **Majority decision**, recommends to the House the adoption of its report and the approve of the **Loan Agreement between the Government of the Republic of Ghana and the Export-Import Bank of Korea for an amount in Korean Won not exceeding the equivalent of Ninety Million United States Dollars (US\$ 90,000,000.00) to finance the Establishment of the University of Environment and Sustainable Development (UESD), Bunso Campus Project** in accordance with Article 181 of the 1992 Constitution, Section 56 of the Public Financial Management Act, 2016 (Act 921) and the Standing Orders of the House.

Respectfully submitted.


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


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EVELYN BREFO-BOATENG (MS)
(CLERK TO THE COMMITTEE)