

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



**REPORT OF THE COMMITTEE ON WORKS AND
HOUSING**

ON THE

**WORKS CONTRACT AGREEMENT BETWEEN THE
GOVERNMENT OF THE REPUBLIC OF GHANA
(REPRESENTED BY THE GHANA WATER COMPANY
LIMITED UNDER THE MINISTRY OF SANITATION
AND WATER RESOURCES) AND MESSRS DENYS
ENGINEERS AND CONTRACTORS B. V. OF
NETHERLANDS FOR AN AMOUNT THIRTY-THREE
MILLION, TWO HUNDRED AND FIFTY THOUSAND
EUROS (€33,250,000.00) FOR THE UPPER EAST
REGION WATER SUPPLY PROJECT**

PARLIAMENT OF GHANA LIBRARY

JULY, 2018

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REPUBLIC

REPORT OF THE COMMITTEE ON WORKS AND HOUSING ON THE
WORKS CONTRACT AGREEMENT BETWEEN THE GOVERNMENT OF
THE REPUBLIC OF GHANA (REPRESENTED BY THE GHANA WATER
COMPANY LIMITED UNDER THE MINISTRY OF SANITATION AND
WATER RESOURCES) AND MESSRS DENYS ENGINEERS AND
CONTRACTORS B. V. OF NETHERLANDS FOR AN AMOUNT THIRTY-
THREE MILLION, TWO HUNDRED AND FIFTY THOUSAND EUROS
(€33,250,000.00) FOR THE UPPER EAST REGION WATER SUPPLY
PROJECT.

1.0 INTRODUCTION

The request for approval of the Works Contract Agreement between the Government of the Republic of Ghana (represented by the Ghana Water Company Limited under the Ministry of Sanitation and Water Resources) and Messrs Denys Engineers and Contractors B. V. of Netherlands for an amount **Thirty-Three Million, Two Hundred and Fifty Thousand Euros (€33,250,000.00)** for the Upper East Region Water Supply Project" was presented to the House by the Hon. Deputy Minister of Sanitation and Water Resources, Mr. Patrick Yaw Boamah on behalf of the Hon Minister for Sanitation and Water Resources on Monday, 23rd July 2018 in accordance with Article 181 (5) of the 1992 Constitution.

The Hon First Deputy Speaker referred the request to the Committee on Works and Housing for consideration and report in accordance with Order 180 of the Standing Orders of the House.

2.0 DELIBERATIONS

The Committee was assisted in its deliberations by the two (2) Hon. Deputy Ministers of Sanitation and Water Resources, Messrs. Patrick Yaw Boamah and Michael Yaw Gyato, the two Deputy Managing Directors of GWCL, Messrs. Jacob Yendor and Remy Puoro, and other officials from the Ministry and GWCL.

The Committee is grateful to the Hon. Deputy Ministers, Deputy Managing Directors and the other officials for their cooperation and assistance.

3.0 REFERENCE

The Committee relied on the following documents during its deliberations:

- The 1992 Constitution of Ghana;
- The Standing Orders of the Parliament of Ghana; and
- The Works Agreement between Ghana Water Company Limited (representing Government of Ghana) and Messrs. Denys Engineers and Contractors B.V. of Netherlands for an amount of Thirty-Three Million, Two Hundred and Fifty Thousand Euros (€33,250,000.00) for the "Upper East Region Water Supply Project

4.0 BACKGROUND

The Upper East Region over the years has faced perennial water challenges. The major cities of the Region, which include Bolgatanga, Navrongo, Paga and Bongo have been identified by Ghana Water Company Limited (GWCL) as deprived in terms of access to potable drinking water. The main surface water supply system in the Region; the Vea Dam, which is located between Bolgatanga and Bongo, has inadequate capacity to meet the water demands of the fast developing cities, a situation the high population growth rate has exacerbated. The Vea Reservoir, which is the only source of fresh water supply has been exploited to its limits with no room for expansion.

In order to adequately supply water to Bolgatanga, Navrongo, Paga, Bongo and their surrounding communities, a new raw water source with a new water treatment plant need to be constructed. The Tono irrigation reservoir, which is close to Navrongo and has enough water to meet the water supply needs of the project area has been identified as the new raw water source. This particular system, when developed under this proposed project would be able to accommodate further extensions in the future.

When the new water supply system is constructed, it will supply water to Bolgatanga, Navrongo, Paga and their environs. The existing system at Vea would be dedicated to supplying Bongo and its environs. The two systems would thus be adequate to address the perennial water supply challenges in the project area with a projected population of 180,015 by the year 2030.

The project, which is captured in the strategic investment plan of GWCL, is in line with the government's policy of providing potable water to deprived communities throughout the country. The Netherlands Government through ORID provided 35% of the project cost as a grant to the Government of Ghana. It is against this background that Cabinet and Parliament respectively approved the Credit Agreement of this project in October, 2017. The purpose of this request, therefore, is to enable the Ministry to operationalise the credit agreement and allow works to commence.

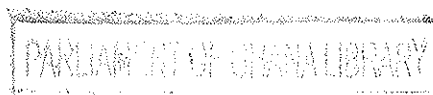
5.0 OBJECTIVES

The objective of the project is to develop a water supply system that provides the people in the project area with sufficient and reliable drinking water to the year 2030, which culminates in: -

- i. Provision of an essential basic infrastructure (water system)
- ii. Improving the health of the inhabitants in the project area
- iii. Economic stimulus for existing companies and industries and new companies
- iv. Improving the standard of living of women and children in the Region

6.0 PROJECT DESCRIPTION

The project involves the design and construction of a new water supply system including intake, water treatment plant, transmission pipelines and distribution pipe network. The scope of work on the project would include the following: -



- i. New raw water intake at the Tono reservoir (436m³/h, raw water capacity), including pumping station and raw water transmission pipeline. Raw water to be treated at the new Tono water treatment plant will be supplied from the Tono reservoir from an intake tower, which is provided with raw water pumps.
- ii. Design and construction of a new water treatment plant located at Navrongo (412m³/h clear water capacity).
- iii. Rehabilitation of the existing Veia Water Treatment Plant (approx. 38m³/h clear water capacity).
- iv. Design and construction of 67km of new transmission, pipelines to transport drinking water from the Tono water treatment plant to the supply areas in Navrongo, Bolgatanga and Paga.
- v. Design and construction of 50km new distribution network to transport drinking water to consumers in Navrongo, Bolgatanga and Paga.
- vi. Design and construction of 3 new elevated reservoirs and;
- vii. Provision of 400No. Standpipes.

7.0 **OBSERVATIONS**

Urgent need for the approval of the request

The Committee noted during the deliberations and during its recent inspection tour of the Water Treatment Plants in the three northern regions that the Upper East region actually faces perennial water challenges, particularly, during the dry season. The Navrongo Water System which consists of 29 boreholes with a production capacity between 2500-2900 cubic metres of water a day is inadequate for the fast-growing city and peripheral communities. Further, the Veia/Gowrie Water Treatment Plant with an installed capacity of 7200 cubic metres of water per day which serves Bolgatanga and its environs currently operates below the installed capacity at about 3800 cubic meters per day. The Committee further observed that since its establishment in the 1980s, the Veia Plant has not seen any rehabilitation. The valves were all seen to be corroded and in need of a major rehabilitation. Inadequate distribution network is also a challenge in the region. It is in this vein that the Committee considers the request as timely, particularly, the component for the rehabilitation of the Veia Water Treatment Plant. The Committee is hopeful that with the construction of the new plant and the

rehabilitation of the existing system at Veia, the residents of Veia and Gowrie who are currently not served by the existing facility would benefit since the plant would be dedicated to supplying Bongo and its environs.

Compensation for affected properties

The Committee was happy to note that in response to Parliament's persistent calls on MMDAs to always provide for compensation payment in such contracts, a provision has been made to cater for the payment of compensation to victims whose properties may be affected during the construction of the transmission and distribution lines. A total amount of GH¢690,000.00 is earmarked for compensation payments on the project. The Committee believes that with this provision, the project would commence as scheduled and that challenges normally associated with nonpayment of compensation such as vandalism and unnecessary litigations would be minimized. Further, variation costs arising out of delays would be avoided to allow the project to be completed on schedule.

Corporate social responsibility

The Committee realized that the issue of social responsibility was not explicitly stated in the Contract. The Committee believes that even though the project upon completion would be beneficial to the communities in the project area, they are likely to be inconvenienced in one way or the other during the construction period. It is therefore important that the contractors provide some social interventions that would mitigate the negative effects likely to be associated with the implementation of the project. The Committee accordingly calls on the Ministry and the Contractor to ensure that a provision is made, possibly, out of the contingency to cater for this responsibility.

Expected benefits

The Committee noted that the completion of the project would increase the reliability of water supply to the beneficiary communities in the project area. In all, 30 communities in the Bolgatanga, Navrongo, Bongo, Paga and their environs will benefit from the project. It is expected that the increase in water supply would lead to a reduction in the prevalence of common water-borne diseases as well as reduce the stress of having to travel long distances in search of water. Eventually, this would also help

reduce the pressure on the various health facilities in the Region as a result of reduction in water-related diseases.

Besides, economic activities within the catchment areas of the project are expected to improve, for the time, which would have otherwise been used in search of water would be put into more productive use. Jobs will be created during the construction period and help to reduce the unemployment in the country

Cost breakdown

As stated in the Contract, the cost of works component of the contract is **Thirty-Three Million, Two Hundred And Fifty Thousand Euros (€ 33,250,000.00)**. This amount is to cater for expenses relating to the construction of raw water intake and new water treatment plant near Tono, elevated water reservoir, Transmission pipelines in Navrongo and Bolgatanga, Distribution pipelines, Paga pipeline extension and rehabilitation of existing Veia Water treatment plant. The cost break down of the various components are as follows;

Cost Breakdown of Components

Raw Water Intake and New Treatment Plant	10,154,820
Elevated Water Reservoir	1,395,470
Transmission Pipelines in Navrongo & Bolgatanga	8,339,480
Distribution Pipelines	6,361,690
Paga Pipeline Extensions	1,148,540
Rehabilitation of Existing Veia WTP	2,650,000
General Items	3,200,000
Total	33,250,000

Source: Works Contract Documents

Provision of off-site raw water reservoir

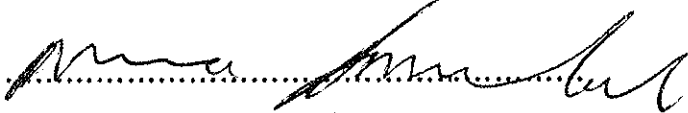
The committee recognized that due to the effects of climatic change and other human activities such as galamsey, the source water for most treatment plants dry up or reduce during the dry season. This normally reduces the amount of water available to households. To ensure constant supply of raw water to the treatment plants all year round, there would be an urgent need to store raw water during the peak periods. The Committee is of the view that one of the means by which this can be achieved is by the

construction of an off-site raw water reservoir for this purpose. However, the Committee realized that no provision was made in the works contract for the construction of an offsite raw water reservoir. Considering the rapid effects of climate change and the fact that rainfall patterns have become erratic, there would be the need for such an important component to be provided for. The Committee considers this shortfall as not good enough and therefore calls on the Minister and the Contractor to explore the possibility of making provision for such a facility under the current contract. Further, the Committee advise that future projects should incorporate in them the construction of an off-site raw water reservoir

8.0 CONCLUSION AND RECOMMENDATION

Having regards to the enormous benefits likely to be derived from the implementation of the project, particularly, increased reliability of supply of potable water to the people in the project area, the Committee after careful deliberations of the contract recommends to the House to adopt its report and approve by resolution the Contract Agreement between the Government of the Republic Of Ghana (Represented by the Ghana Water Company Limited under the Ministry of Sanitation And Water Resources) and Messrs Denys Engineers and Contractors B. V. Of Netherlands for an Amount Thirty-Three Million, Two Hundred And Fifty Thousand Euros (€33,250,000.00) for the Upper East Region Water Supply Project in accordance with Article 181 (5) of the 1992 Constitution of the Republic of Ghana.

Respectfully submitted


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HON. NANA AMOAKOH
CHAIRMAN, COMMITTEE ON
WORKS & HOUSING


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

