

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

**REPORT OF THE  
FINANCE COMMITTEE**

**ON THE**

**FOURTH SUBSIDIARY AGREEMENT BETWEEN THE  
REPUBLIC OF GHANA AND CHINA DEVELOPMENT  
BANK (CDB) FOR AN AMOUNT OF TWO HUNDRED  
AND TEN MILLION, SIX HUNDRED AND SIXTY  
THOUSAND UNITED STATES DOLLARS  
(US\$210,660,000.00) IN RELATION TO THE  
ACCRA INTELLIGENT TRAFFIC MANAGEMENT  
PROJECT UNDER THE TRANCHE B FACILITY**

PARLIAMENT OF GHANA LIBRARY

**NOVEMBER, 2018.**



## **1.0 INTRODUCTION**

The **Fourth Subsidiary Agreement** between the **Government of the Republic of Ghana** and **China Development Bank (CDB)** for an amount of **Two Hundred and Ten Million, Six Hundred and Sixty Thousand United States Dollars (US\$210,660,000.00)** in relation to the **Accra Intelligent Traffic Management Project under the Tranche B Facility** was laid in Parliament on Friday 9<sup>th</sup> November, 2018 by the Hon. Deputy Minister for Finance, Mrs. Abena Osei-Asare on behalf of the Minister responsible for Finance.

The Agreement was subsequently *referred* to the Finance Committee for consideration and report in accordance with Article 181 of the 1992 Constitution and Orders 169 and 171 of the Standing Orders of the Parliament of Ghana.

A Deputy Minister for Finance, Hon. Kwaku Kwarteng and other officials from the Ministry of Finance attended upon and assisted the Committee in its deliberations on the Agreement.

The Committee expresses its gratitude to the Honourable Deputy Minister and the officials from the Ministry of Finance for attending upon the Committee.

## **2.0 REFERENCES**

The Committee referred to and was guided by the following documents *inter alia* during its deliberations on the Agreement:

- a. The 1992 Constitution of the Republic of Ghana.

- b. The Standing Orders of the Parliament of Ghana.
- c. The Public Financial Management Act, 2016 (Act 921)

### **3.0 BACKGROUND**

The Master Facility Agreement between the Government of the Republic of Ghana and the China Development Bank (CDB) for an amount of **Three Billion United States Dollars (US\$3,000,000,000.00)** to finance Infrastructure Development Projects in Ghana was first laid in Parliament and approved on 26<sup>th</sup> August, 2011.

The Facility was to be disbursed through two windows (i.e. **Tranche A and Tranche B**) and specific disbursements under each of the Tranches were to be determined project-by-project as would be spelt out in subsequent Subsidiary Agreements.

The following projects were originally proposed to be financed under **Tranche A** of the Facility (Tranche A was further divided into A1 and A2):

#### **Tranche A1: Infrastructure Renewal for Integrated Industrial Minerals Processing Ventures**

- (a) **Western Corridor Infrastructure Renewal Project** – Railway Components [Rehabilitation/Modernization of Takoradi – Kumasi and Dunkwa – Awaso railway lines in line with Scenario 1 of EU funded feasibility study conducted by Bonifica].

Project Developer is the Ghana Railway Development Authority (GRDA). Project implementation is under a performance-based design-build-maintain contract (Estimated Amount of US\$500 Million)

- (b) **Western Corridor Infrastructure Renewal Project** – Takoradi Port Phase 1 Retrofit/Rehabilitation.

Project Developer is the Ghana Ports and Harbours Authority (GPHA). Project implementation is under a performance-based design-build-maintain contract (Estimated Amount of US\$150 Million)

- (c) **Sekondi Free Zone Project** – Development of onsite infrastructure and utility services for the proposed industrial minerals processing estate, including an Alumina Refinery.

Project to be implemented by a Free Zone Developer to be licensed by the Ghana Free Zone Board (GFZB) under a build-operate-transfer contract (Estimated Amount of US\$100 Million)

**Tranche A2: Infrastructure Development for Accelerated Agricultural Modernization**

- (a) **Accra Plains Irrigation Project Phase 1** covering 5000 hectares.

Project Developer is the Ghana Irrigation Development Authority (GIDA). Project implementation is under a build-operate-transfer contract (Estimated Amount of US\$100 Million).

- (b) **Coastal Fishing Harbours and Landing Sites Project** – Axim, Dixcove, Elmina, Winneba, Mumford, Senya Bereku, Jamestown, Teshie, Gomoa Fetteh, Ada, Keta, Moree.

Project Developer is the Ghana Ports and Harbours Authority (GPHA). Project implementation is under design-build contracts (Estimated Amount is US\$150-250 Million).

- (c) **Eastern Corridor Multi-modal Transportation Project** – Volta Lake facilities components – upgrade of ferries/pontoons and landing sites for

Kpandu/Amankwakrom, Kete Krachi-Kwadwokrom, Yeji-Makango, Tapa Abotoase, Dzemini; as well as upgrade of Akosombo and Buipe ports.

Project Developer is the Volta Lake Transport Authority (VLTA). Project implementations is under design-build-maintain contracts (Estimated Amount of US\$150-500 Million)

The Following projects were proposed to be financed under Tranche B (Tranche B was also sub-divided into B1 and B2):

**Tranche B1: Oil and Gas Sector Infrastructure Development**

- (a) ***Western Corridor Gas Infrastructure Project*** – Offshore Gathering Pipeline, Early Phase Gas Processing Plant, Onshore Trunk Pipeline including gas dispatch facility; retrofit of Tema Oil Refinery (TOR) to enable processing of natural gas liquids (NGLs); and deployment of helicopter fleet for enhanced surveillance of facilities.

Project Developer is the newly created Ghana National Gas Company Limited, and project implementation is under performance-based design-build-maintain contracts (Estimated Amount of US\$850 Million).

- (b) ***Phase 1 of the Takoradi Petroleum Terminal Project*** – to be sited at Pumpuni.

Project Developer is the Bulk Oil Storage and Transportation Company Limited, with project implementation under performance-based design-build-maintain contract (Estimated Amount of US\$200 Million)

- (c) ***Western Corridor "Oil Enclave" Toll Road Redevelopment Project***

Project Developer is the Ghana Highways Authority. Project implementation is under a design-build-

maintain contract (Estimated Amount of US\$150 Million).

### **Tranche B2: Special Projects**

- (a) ***Deployment of an ICT-based integrated communications platform to enhance security and surveillance of all infrastructure and facilities in the Western Corridor "oil Enclave".***

Project Developer is the National Security Council. Project implementation is under a performance-based design-build-maintain contract (Estimated Amount of US\$150 Million)

- (b) ***Accra Metropolitan ICT-enhanced Traffic Management Project*** – This includes an additional financing to enable accelerated completion of "stranded" road construction works on key congested road arteries for the metropolis, especially (i) Nsawam Road (Achimota – Ofankor segment); (ii) Dodowa Road (Tetteh Quarshie – Haatso Junction) and (iii) La Beach Road.

Project Developer is the Urban Roads Department, with project implementation under a build-operate-transfer contract. (Estimated Amount of US\$150-200 Million)

- (c) ***Small and Medium Enterprises (SMEs) Projects Incubation Facility*** – Through collaboration between CDB's Special Facility for African SMEs and NTHC Ltd., a blueprint has been developed to pilot a US\$100 Million facility to support local capability building of Ghana SMEs involved in public-private partnerships for infrastructure development (Estimated Amount of US\$100 Million).

## **6.0 PROJECT DESCRIPTION AND SCOPE**

The total cost of the Accra Intelligent Traffic Management Project is US\$236.10 Million (excluding the Sinosure Premium) of which CDB is financing US\$200.68 Million whilst the Government of Ghana (GoG) pays the remaining 35.42 Million. The project is made up of two components as follows:

- i. **Component 1 - Intelligent Traffic Management System** – The purpose of the Accra Metropolitan Area Intelligent Traffic Management System (AITMS) project is to improve transport infrastructure and reduce traffic congestion in the Greater Accra area, enhance safety for pedestrians and promote urban renewal. In line with these broad objectives, the AITMS will improve traffic flow, trip reliability and safety in Accra through an appropriate coordinated traffic signal system, and a centralized control centre for all traffic signals. The cost of the Intelligent Traffic Management System is estimated at *One Hundred Million United States Dollars* (US\$100 million).
  
- ii. **Component 2 – Road Completion** – The areas within the greater metropolis that will benefit from the transaction are summarized in the table below:

<b>Item</b>	<b>Description</b>	<b>Length</b>
1	Widening of La Beach Road: Independence Arch to Nungua Barrier – 16km <ul style="list-style-type: none"><li>• 2 lane dual carriageway, cycle paths; BRT Route ROW reserved in the median</li><li>• 2 no. bridges across the Kpeshie Lagoon</li><li>• Interchange at Lascala, Teshie</li><li>• Interchange at Giffard Road at La Palm Beach Hotel</li></ul>	16.0 km



2	Widening of Coastal and Meridian Roads – 10.6km <ul style="list-style-type: none"> <li>• 2 lane dual carriageway, walkways, cycle paths, BRT Route ROW reserved in the median</li> <li>• 3-tier vehicular interchange at Nungua Barrier</li> <li>• 2 no. road over rail bridges near Sakumono Junction and Sakumono Lagoon</li> </ul>	10.6 km
3	Widening of Teshie Link: Teshie to the Accra-Tema Motorway – 7.5 km <ul style="list-style-type: none"> <li>• 2 lane dual carriageway, walkways, cycle paths, BRT Route ROW reserved in the median</li> <li>• Interchange at Spintex Road</li> <li>• 2x2 lane Motorway tunnel, 1x2 lane BRT, walkways, cycle paths</li> </ul>	7.5 km

The cost of the road completion and consultancy services is *One Hundred and Thirty Six Million, One Hundred Thousand United States Dollars (US\$136.10 million)*.

## **7.0 OBSERVATIONS**

### **7.1 Improved Traffic Flow in the Capital**

The Committee was informed that the Accra Intelligent Traffic Management System (AITMS) will synchronize traffic flow and traffic information systems in the capital. The system would provide real-time information to guide drivers on the status of traffic on the various roads, especially during peak hours.

### **7.2 Improved Road Infrastructure**

The Committee observed that the Independence *Arch-Nungua Barrier* and the *Coastal and Meridian Roads* form a critical part of the road network linking the Tema Harbour to the capital. The redevelopment of these roads would help ease the traffic congestion currently being experienced by motorists on those

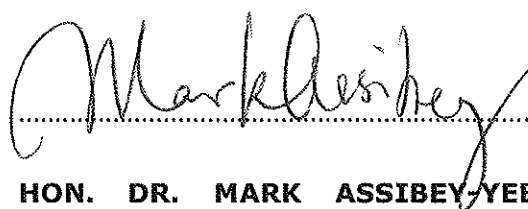
stretches of roads. It will also enhance easy access to the port, reduce travel time and generally improve the business climate in the Accra-Tema area.

The construction of the Teshie Link Road would also enhance vehicular movement on that stretch and more critically facilitate access to the LEKMA Hospital which was built by the kind courtesy of the People's Republic of China.


## **8.0 CONCLUSION**

The Committee recommends to the House to adopt this report and approve by resolution, the **Fourth Subsidiary Agreement** between the **Republic of Ghana** and **China Development Bank (CDB)** for an amount of **Two Hundred and Ten Million, Six Hundred and Sixty Thousand United States Dollars (US\$210,660,000.00)** in relation to the **Accra Intelligent Traffic Management Project** under the **Tranche B Facility** in accordance with article 181 of the 1992 Constitution of the Republic of Ghana.

Respectfully Submitted.



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



**EVELYN BREFO-BOATENG (MS.)**  
**(CLERK, FINANCE COMMITTEE)**

**28<sup>TH</sup> NOVEMBER, 2018**