

IN THE THIRD SESSION OF THE SEVENTH PARLIAMENT OF THE FOURTH REPUBLIC

**REPORT OF THE FINANCE COMMITTEE ON THE LOAN AGREEMENT
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA AND THE
ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA (BADEA) FOR
AN AMOUNT OF THIRTEEN MILLION, FIVE HUNDRED THOUSAND
UNITED STATES DOLLARS (US\$13,500,000.00) TO FINANCE THE
SUPPORT TO BASIC EDUCATION PROJECT IN FIVE (5) REGIONS IN
GHANA**

1.0 INTRODUCTION

The Loan Agreement between the Government of the Republic of Ghana and the Arab Bank for Economic Development in Africa (BADEA) for an amount of Thirteen Million, Five Hundred Thousand United States Dollars (US\$13,500,000.00) to finance the Support to Basic Education Project in Five (5) Regions in Ghana was laid in the House on Wednesday, 28th November, 2018 by a Deputy Minister for Finance, Hon. Kwaku Agyeman Kwarteng and referred to the Finance Committee for consideration and report in accordance with Article 181 of the Constitution and the Standing Orders of the House.

The Committee met with a Deputy Minister for Finance, Hon. Abena Osei Asare, a Deputy Minister for Education, Hon. Dr Yaw Osei Adutwum and officials from the Ministry of Finance, and the Ministry of Education to consider the Bill.

2.0 REFERENCE DOCUMENTS

The Committee referred to the following documents in the consideration of the Bill:

1. The 1992 Constitution,
2. The Public Financial Management Act, 2016 (Act 921) and
3. The Standing Orders of Parliament.

3.0 BACKGROUND

Ghana's Education System has undergone several reforms over the years. One of the thrusts of the reforms is to increase equitable access to quality education across all levels of education as enshrined in the Education Sector Plan (ESP) 2010-2020.

Due to the reforms, enrolment across the country has increased in recent decades and the demand for places in Basic Schools (Pre-School, Primary and Junior High School) has risen tremendously. As a result, pressure is growing on the capacity of the existing schools to meet the increasing demand.

In order to address the infrastructure gap at the basic level, Government has been constructing additional Pre-Schools as well as Primary and Junior High Schools to accommodate the increasing number of pupils enrolling.

One of such construction projects is the Basic Education Project which is aimed at constructing Forty-four (44) new classroom blocks as well as other auxiliary facilities in existing schools.

In order to successfully implement the project, Government sourced and BADEA agreed to support the project with a loan of US\$13,500,000.00. It is this agreement that is before the House for approval.

4.0 OBJECT OF THE BILL

The object of the project is to construct Forty-Four (44) new classroom blocks, 10-seater and 5-seater toilets, water supply, boreholes, supply and installation of educational furniture and equipment for all new buildings and facilities in 44 existing schools in Five (5) Regions.

4.1 Scope of Works

The Scope of Works under the Project include:

- a. Civil works and its ancillaries which include the following:
 - i. Classrooms,
 - ii. Teachers' common room,
 - iii. Headmaster office,
 - iv. Library,
 - v. Kitchen,
 - vi. Stores,
 - vii. Toilets,
 - viii. External works including courtyard, water sewerage and electricity facilities,
- b. Consultancy services,
- c. Procurement of furniture and educational equipment, and
- d. Support to Funds and Procurement Management Unit (FPMU).

5.0 FINANCING DETAILS

The total cost of the project is Fifteen Million United States Dollars (US\$15,000,000.00). This is made up of the loan facility from BADEA amounting to US\$13,500,000 and GoG contribution of US\$1,500,000. Details of the financing is captured in Table 1 below:

Table 1 Details of Financing

NO	COMPONENT	BADEA	GoG
1.	Civil Works	10,320,000	-
2.	Educational Furniture and Equipment	90,000	90,000
3.	Consultancy Services for Design and Supervision	980,000	-
4.	PIU Support	210,000	400,000
5.	Project Start Workshop	50,000	-
6.	Auditing Project Accounts	50,000	-
7.	Physical Contingencies	940,000	90,000

8.	Price Escalation	860,000	110,000
	Total	13,500,000	1,500,000
	Total in Percentages	90%	10%

6.0 TERMS AND CONDITIONS OF THE LOAN

The terms and conditions of the loan facility are as follows:

Total Credit Amount	-	US\$13.5million
Interest Rate	-	2.0% per annum
Grace Period	-	10 years
Repayment Period	-	18 years
Maturity	-	28 years
Grant Element	-	35.7%

7.0 OBSERVATIONS

7.1 Selection Criteria

The Committee was informed that the Forty-Four (44) schools were selected through extensive consultations with the Ministry of Education, Ghana Education Service, Ministry of Finance, National Teaching Council, the Teacher and Civil Society among others.

In addition, all beneficiary schools were contacted and some selected ones were visited. Needs assessments were also undertaken with extensive discussions with their management. The schools were also involved in the designs for the project. Attached as an Appendix to the report is the list of schools and cost breakdown.

7.2 Benefits of the Project

The Committee was informed that the project, when completed, is expected to benefit approximately 8,000 pupils in basic education including, school teachers, head teachers and other beneficiaries. Additionally, the project

resonates with the objectives of the Education Sector Development Plan (ESDP) (2003-2015) which emphasizes improving equitable access and quality of education in the country.

7.3 Types of Classroom Blocks

The Committee was informed that under the Project, three (3) types of classroom blocks would be constructed namely 2-unit classroom block, 3-unit classroom block and a 6-unit classroom block.

The Committee was also informed that the project forms part of a number of projects that BADEA has been supporting in the country. In line with its policy, all BADEA supported projects come with specifications which include the construction of:

- Terrazzo floor finish
- Ceiling in all classrooms, verandah and eaves
- Electrical wiring and lighting for all classrooms, offices and external areas,
- Landscaped/ paved courtyard for the 6 unit classroom block
- Paved walkway connecting the toilet block to the classrooms,
- Panelled doors and Louvre blade windows with burglar proofing

7.4 Tax waiver

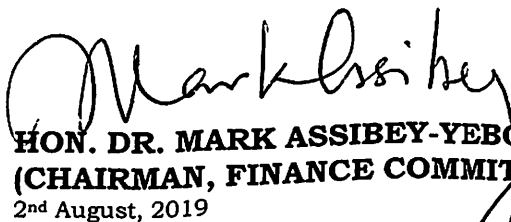
The Committee was informed that in accordance with the General conditions governing BADEA loans, the loan proceeds is to be exempt from the payment of taxes. The Committee was assured that a formal request for tax waiver would be presented to the House at a later date.

8.0 CONCLUSION

In view of the immense benefits to be derived from this project, the Committee recommends to the House to adopt its report and approve the request for approval of the Loan Agreement between the Government of Republic of Ghana and the Arab Bank for Economic Development in Africa (BADEA) for

an amount of Thirteen Million, Five Hundred Thousand United States Dollars (US\$13,500,000.00) to finance the Support to Basic Education Project in Five (5) Regions in Ghana in accordance with Article 181 of the 1992 Constitution, Section 56 of the Public Financial Management Act, 2016 (Act 921) and Orders 169 of the Standing Orders of the Parliament of Ghana.

Respectfully Submitted.


HON. DR. MARK ASSIBEY-YEBOAH
(CHAIRMAN, FINANCE COMMITTEE)
2nd August, 2019


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

PARLIAMENT OF GHANA

APPENDIX

BADEA - SUPPORT TO BASIC EDUCATION PROJECT COST ESTIMATES

S/N	Region	School/Location	MWD/A	Facility Needed	Floor Area (m ²)	Cost/m ² (\$)	Sub-Total (\$) [a]	**10-Seater 25-seater WC Toilet Block (66m ² @ 33m ² @ 6500) [b]	Mechanised Borehole [c]	Overhead Tank Support [d]	Electricity Connection/extension [e]	Sub-Total Estimated Cost [a+b+c+d+e] (f)	Local/tpal Factor [g]	Fence Wall [h]	Total Estimated Cost (\$) [(f x g) + (h)]
1	ASHANTI	EFFIDUA SE METHODIST JHS	EFFIDUA SE	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.05	82,654.38	201,934.38
2	ASHANTI	ATOBIASE D/A BASIC SCHOOL	ADANSI SOUTH	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.05	82,654.38	181,511.88
3	ASHANTI	BOSOMTWE MODEL SCH (STEM)	BOSOMTWE	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	82,654.38	264,409.38
4	ASHANTI	ATWIMA APEMAHIM MODEL SCH	AMANSIE WEST	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	82,654.38	264,409.38
5	ASHANTI	HIAYEYA D/A PRIMARY	AMANSIE CENTRAL	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	82,654.38	264,409.38
6	ASHANTI	ABESEWA RC PRIMARY	JUABEN	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.05	82,654.38	181,511.88
7	ASHANTI	ABOASO D/A PRIMARY SCHOOL	BOSOMTWE	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	82,654.38	264,409.38
8	ASHANTI	ST. ANN ANGLICAN PRIMARY	KUMASI	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	82,654.38	264,409.38
9	ASHANTI	PRESBY JHS, BOMPATA	ASANTE-AKIM SOUTH	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.05	82,654.38	219,784.38
10	ASHANTI	MANSO ABORE PRIMARY	AMANSIE WEST	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	82,654.38	264,409.38
11	ASHANTI	SAMADANIYA BASIC	ASOKORE MANPONG	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.05	82,654.38	181,511.88
12	ASHANTI	APCE DEMONSTRATION SCH. AGOGO	ASANTE-AKIM NORTH	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	82,654.38	264,409.38
13	BRONG AHAFO	AKRODIE R/C KG & PRIMARY	ASUNAFO NORTH MUNICIPAL	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.10	82,654.38	273,064.38
14	BRONG AHAFO	BREME RC JHS	ASUNAFO SOUTH	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.10	82,654.38	207,614.38
15	BRONG AHAFO	KENYASI - MUOHO METHODIST BASIC	ASUTIFI NORTH	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.10	82,654.38	186,219.38
16	BRONG AHAFO	ATEBUBU SDA PRIMARY	ATEBUBU-AMANTIN	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.10	82,654.38	273,064.38
17	BRONG AHAFO	ASIKASU NO.1 METHODIST PRIMARY	DORMAA CENTRAL MUNICIPAL	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.10	82,654.38	273,064.38
18	BRONG AHAFO	ASIRI PRESBY JUNIOR HIGH SCHOOL	JAMAN NORTH	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.10	82,654.38	207,614.38
19	BRONG AHAFO	NSUTA RC PRIMARY	TECHIMAN MUNICIPAL	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.10	82,654.38	186,219.38
20	BRONG AHAFO	METHODIST D/A JHS	DORMAA EAST	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.10	82,654.38	207,614.38
21	BRONG AHAFO	BABIANIHA R/C KG/PRIMARY	JAMAN SOUTH	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.10	82,654.38	273,064.38
22	CENTRAL	Seth O.oi Primary Sch.	AGONA EAST	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.10	82,654.38	186,219.38
23	CENTRAL	TEKYAM D/A JHS	GOMOA EAST	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.10	82,654.38	207,614.38
24	CENTRAL	ETSI-ABAKA ISLAMIC BASIC	AJUMAKO-ENYAN-ESSIAM	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.10	82,654.38	273,064.38
25	CENTRAL	NYAME NNAE M/A BASIC SCHOOL	ASSIN NORTH MUNICIPAL	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.10	82,654.38	186,219.38
26	CENTRAL	NUAMAKROM D/A KG/PRIMARY/JHS	TWIFO ATI-NOROWA	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.10	82,654.38	207,614.38
27	CENTRAL	APESIKA M/A PRIMARY	CAPE COAST NORTH	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.10	82,654.38	186,219.38
28	EASTERN	AKIM NAWISA METHODIST JHS	BIRIM	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.05	82,654.38	181,511.88
29	EASTERN	AKOSOMBO V.I.LA KYEASE PRIMARY	ASUOGYAMAN	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	82,654.38	264,409.38
30	EASTERN	ADAWSO PRESBY PRIMARY	AKWAPIM NORTH	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	82,654.38	264,409.38
31	EASTERN	ASUOKAW PRESBY PRIMARY	UPPEL WEST AKIM	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.05	82,654.38	219,784.38

S/N	Region	School/Location	MIDA	Facility Needed	Floor Area (m ²)	Cost/m ² (\$)	Sub-Total (\$) [a]	**10-Seater 8.5-seater WC Toilet Block (66m ² @ \$500) [b]	Mechanical Borehole [c]	Overhead Tank Support [d]	Electricity Connection/extension [e]	Sub-Total Estimated Cost [a+b+c+d+e] (f)	Location Factor [g]	Phone Wall (h)	Total Estimated Cost (\$) [(f x g) + (h)]
32	EASTERN	MAFI-ABIM, UKOPE D/A PRIMARY	AFRAN PLAINS (KWAHU NORTH)	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	82,654.38	264,409.38
33	EASTERN	BEPONG R/C BASIC SCHOOL	KWAHU SOUTH	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	82,654.38	264,409.38
34	EASTERN	OSIEM PRESBY PRIMARY	ABUKWA NORTH	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	82,654.38	264,409.38
35	EASTERN	ENYIRESI ISLAMIC BASIC SCHOOL	ATIWA	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.05	82,654.38	264,409.38
36	EASTERN	NKWATENG HASRIYA ISLAMIC PRIMARY AND KG SCHOOL	BIRIM NORTH	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.10	82,654.38	273,064.38
37	WESTERN	ASIKASU-ODUMASE METHOD. MUM	AHANTA WEST	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.10	82,654.38	273,064.38
38	WESTERN	Rhyner Paul Anglican Primary Sch	SEKANDI TAKURADI	6-Unit Classroom Block	520	250.00	130,000.00	34,000.00	5,000.00	2,600.00	1,500.00	173,100.00	1.10	82,654.38	273,064.38
39	WESTERN	Dlabene Catholic Prim. Sch.	SEKANDI TAKURADI	6-Unit Classroom Block	520	250.00	130,000.00	17,000.00	5,000.00	2,600.00	1,500.00	156,100.00	1.10	82,654.38	254,364.38
40	WESTERN	SHAMA D/A PRIMARY	SHAMA	6-Unit Classroom Block	520	250.00	130,000.00	17,000.00	5,000.00	2,600.00	1,500.00	156,100.00	1.10	82,654.38	207,614.38
41	WESTERN	DEBISO D/A JHS	BIA WEST	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.10	82,654.38	207,614.38
42	WESTERN	ANTOBAM D/A JHS	AMENFI CENTRAL	3-Unit Classroom Block	350	250.00	87,500.00	17,000.00	5,000.00	2,600.00	1,500.00	113,600.00	1.10	82,654.38	186,219.38
43	WESTERN	GWIRA BABIANI METHODIST J.H.S	NZEMA EAST MUNICIPAL	2-Unit KG Block with Ancillary Facilities	243	350.00	85,050.00	-	5,000.00	2,600.00	1,500.00	94,150.00	1.10	82,654.38	254,364.38
44	WESTERN	NSUAEM D/A PRIMARY SCHOOL	TARKWA	6-Unit Classroom Block	520	250.00	130,000.00	17,000.00	5,000.00	2,600.00	1,500.00	156,100.00	1.10	82,654.38	254,364.38

10,320,000.00

Estimated Cost (Civil Works)

980,000.00

Consultancy Service

210,000.00

PIU (Operational Cost)

90,000.00

Furniture & Equipment

80,000.00

Project Start Workshop

50,000.00

Auditing

1,700,000.00

Sub-Total (A)

1,800,000.00

Contingency + Price Escalation (B)

13,580,000.00

Sub-Total [C] : (A+B)

13,580,000.00

Total Estimated Cost

Exchange rate: GHC 4.2/US\$ (Apr/May 2017)

NOTE

1. Kindergarten (KG) Block

A (single) Unit Block has the following ancillary facilities:

- i) Washroom attached (2 No. WCs each for Boys and Girls, 1 No. WC for Staff and a Shower)
- ii) Head Teacher's office
- iii) Kitchen/servery area
- iv) 2 No. Stores
- v) Sanded play area with paved walkway

Finished with Unpolished porcelain floor tiles, louvre blade windows, panelled doors, and PVC T&G ceiling.

** 6-Seater WC Toilet Block (33m²) for 3-Unit Classroom Block, and 10-Seater WC Toilet Block (66m²) for 6-Unit Classroom Block

2. 3-Unit and 6-Unit Classroom Blocks

They have the following enhanced features and specifications:

- i) Terrazzo floor finish
- ii) Ceiling in all classrooms, verandah and eaves
- iii) Electrical wiring and lighting for all classrooms, offices, and external areas
- iv) Landscaped/paved courtyard for the 6-Unit Classroom Block
- v) Paved walkway connecting the Toilet Block to Classroom Block
- vi) Panelled doors and louvre blade windows with burglar proofing