

PARLIAMENT OF GHANA LIBRARY

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



REPORT OF THE
FINANCE COMMITTEE

ON THE

I. BUYER CREDIT FACILITY AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA (REPRESENTED BY THE MINISTRY OF FINANCE) AND INTESA SAN PAOLO S.P.A OF ITALY AND INTESA SAN PAOLO S.P.A DUBAI BRANCH (AS ARRANGERS AND ORIGINAL LENDERS) AND INTESA SAN PAOLO S.P.A, LONDON BRANCH (AGENT) WITH EXPORT CREDIT GUARANTEE FROM THE SWEDISH EXPORT CREDIT AGENCY AND THE SWEDISH EXPORT CREDIT CORPORATION FOR AN AMOUNT OF FORTY-TWO MILLION EUROS (€42,000,000.00) TO FINANCE THE ASPHALTIC OVERLAY OF SELECTED STREETS IN ACCRA PHASE-2 (120 KM)



AND

II. COMMERCIAL FACILITY AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA (REPRESENTED BY THE MINISTRY OF FINANCE) AND INTESA SAN PAOLO S.P.A AND INTESA SAN PAOLO S.P.A DUBAI BRANCH (AS ARRANGERS AND ORIGINAL LENDERS) AND INTESA SAN PAOLO S.P.A LONDON BRANCH (AS AGENT) FOR AN AMOUNT OF SEVENTEEN MILLION EUROS (€17,000,000.00) TO FINANCE THE ASPHALTIC OVERLAY OF SELECTED STREETS IN ACCRA PHASE-2 (120 KM)

MARCH 2020

1.0 INTRODUCTION

The

- i. **Buyer Credit Facility Agreement** between the **Government of the Republic of Ghana** (represented by the Ministry of Finance) and **Intesa San Paolo S.p.A of Italy and Intesa San Paolo S.p.A Dubai Branch** (as Arrangers and Original Lenders) and **Intesa San Paolo S.p.A, London Branch (Agent)** with export credit guarantee from the **Swedish Export Credit Agency and the Swedish Export Credit Corporation** for an amount of *Forty-Two Million Euros (€42,000,000.00)* to finance the **Asphaltic Overlay of Selected Streets in Accra Phase-2 (120 km); AND**
- ii. **Commercial Facility Agreement** between the **Government of the Republic of Ghana** (represented by the Ministry of Finance) and **Intesa San Paolo S.p.A and Intesa San Paolo S.p.A Dubai Branch** (as Arrangers and Original Lenders) and **Intesa San Paolo S.p.A London Branch (as Agent)** for an amount of *Seventeen Million Euros (€17,000,000.00)* to finance the **Asphaltic Overlay of Selected Streets in Accra Phase-2 (120 km)**

were *presented* to the House on Thursday the 12th day of March 2010 by the Honourable Minister for Monitoring and Evaluation, Dr. Anthony Akoto Osei on behalf of the Minister responsible for Finance.

Pursuant to Article 103 of the 1992 Constitution and Orders 169 and 171 of the Standing Orders of the House, the Agreements were *referred* to the Committee on Finance for consideration and report.

The Committee subsequently met and discussed the Agreements with a Deputy Minister for Finance, Hon. Mrs. Abena Osei-Asare, a Deputy Minister for Roads and Highways, Hon. Kwabena Owusu-Aduomi as well as officials from the Ministries of Finance and Roads and Highways. The Committee hereby submits this report to the House pursuant to Order 161(1) of the Standing Orders of the House.

The Committee is grateful to the Hon. Deputy Ministers and the officials from the Ministries of Finance and Roads and Highways 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 Agreements:

- The 1992 Constitution of the Republic of Ghana
- The Standing Orders of the Parliament of Ghana
- The Public Financial Management Act, 2016 (Act 921)

3.0 BACKGROUND

The Government of the Republic of Ghana through the Ministry of Roads and Highways recognises the importance of good road infrastructure as a critical facilitator for rapid socio-economic development of the country through the improvement of accesses, reduction in travel times, congestion, vehicle operating costs and accidents.

To ensure the operational efficiency of road transport in moving persons, goods and services both within the country and with neighbouring countries, the government has already implemented some major road infrastructure projects and continues to source funding for the implementation of additional critical road projects in line with Government's infrastructure development agenda.

The Greater Accra is the second most populated Region of Ghana, after Ashanti Region. The City of Accra is inhabited by an estimated four (4) million people. The Greater Accra Region also hosts the seat of Government in the capital city of Accra.

The Streets of Accra Project is aimed at providing and improving the existing road conditions. The required improvement has made it necessary to develop and design

intervention options and to evaluate their economic and financial viability based on traffic surveys carried out.

3.1 PROJECT OBJECTIVES

The objectives of the Project is to improve travel time and reduce waiting times within the Greater Accra Metropolis with consequent reduction in poverty and enhanced development in Ghana. The project is specifically aimed at improving traffic circulation by enhancing the capacity of the road network and removing bottlenecks as well as improving the movement of people, goods and services to support the socio-economic development of the Greater Accra Metropolis.

4.0 TERMS AND CONDITIONS OF THE LOANS

The terms and conditions of the Loans are as presented in the table below:

| TERMS | ECA FACILITY | TIED COMMERCIAL FACILITY |
|------------------|--|---------------------------------|
| Facility Amount | Up to €42,000,000.00 (including EKN premium estimated at 12.37% of the Facility Amount) | Up to €17,000,000.00 |
| Currency | Euro | Euro |
| Grace Period | 2 years | 1 years |
| Repayment Period | 10 years | 5 years |
| Tenor | 12 years | 6 years |
| Interest Rate | CIRR + 0.55% p.a. | 6M Euribor +5.00% p.a. |
| Commitment Fee | 0.50% p.a. | 1.00% p.a. |
| Arrangement Fee | 1.25% flat | 1.25% flat |
| All-in-cost | 2.79% p.a. | 5.69% p.a. |

5.0 PROJECT COMPONENTS AND DESCRIPTION

The scope of works to be undertaken as part of this project shall comprise 120km of Asphalt Overlay in the Greater Accra Metropolitan Area. The key activities to be undertaken under the Project include the following:

- i. Asphalt Overlay on selected roads and
- ii. Provision of Traffic Management and Pedestrian safety facilities (road-line marking)

The Project will be implemented on the basis of a Construction Contract for Works designed by the Ministry of Roads and Highways and to be implemented by the Department of Urban Roads (DUR)

A breakdown of the estimated cost of the components of the Project is as presented in the following table:

| ITEM | DESCRIPTION | TOTAL PRICE (€) |
|--------------|--------------------|------------------------|
| 1 | General Items | 2,895,449.06 |
| 2 | Consultancy | 1,018,935.21 |
| 3 | Road Works | 46,956,416.07 |
| 4 | Road Line Markings | 954,394.70 |
| 5 | Contingencies | 1,174,804.96 |
| TOTAL | | 53,000,000.00 |

6.0 OBSERVATIONS

6.1 Deplorable State of the Roads

The Committee observed that currently, the selected project roads in the national capital are in a deplorable state. The pavements are deteriorated with potholes at various locations hindering the flow of traffic and affecting economic activity and productivity. The Streets of Accra Project aims to improve the existing road condition through the repair of the potholes and maintaining the same carriageway width with a 6cm layer of asphalt overlay, roadline markings and road signalisations.

6.2 Duration of the Project

As to how long the project would take to complete, the Committee was informed that the Project is expected to be completed within a period of eighteen (18) months from the commencement date.

6.3 Expected Benefits of the Project

The Committee observed that the successful implementation of the project is expected to result in the following:

- Lowering vehicle operating costs, savings in travel time leading to savings in fuel consumption, reduction in accident rates and to generally improve access and contribute significantly to socio-economic activities;
- Reduction in pedestrian and vehicular congestion and consequently cost of transportation for both passenger and cargo;
- Significant improvement and enhancement of the function of the road network by enhancing vehicle flow through urban areas of the Greater Accra Metropolis by improving movement of people and goods;
- Enhancement of economic activities and improved public transport and standard of living of the citizenry
- Creation of jobs for the skilled and non-skilled labour in the Greater Accra Metropolis
- Reduction in loss of productive man-hours, air and noise pollution, vehicle maintenance costs, road accidents and incidents which in turn will reduce loss of lives; and the
- Improvement in commuter and pedestrian safety along the project corridor

6.4 Beneficiary Streets

The list of the selected streets in Accra to benefit from the Project is attached to this Report as an Appendix.

However, where a particular street is found to have already benefited from another intervention, the funds applicable to that street would be shifted to another street within the capital city.

7.0 CONCLUSION

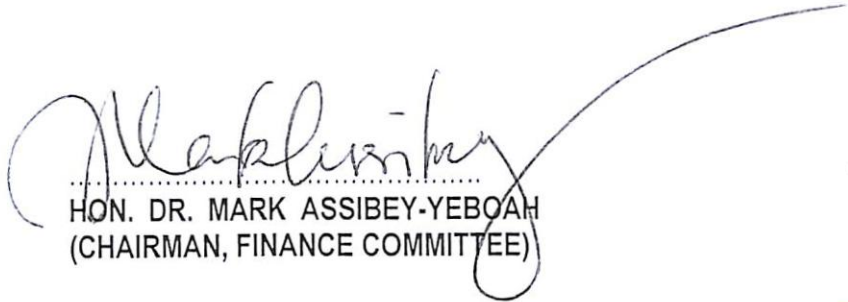
The Committee finds the project to be immensely important towards improving vehicular movement and road safety in the Greater Accra Metropolis.

The Committee therefore respectfully recommends to the House to adopt this report and approve by Resolution, the

- i. **Buyer Credit Facility Agreement between the Government of the Republic of Ghana (represented by the Ministry of Finance) and Intesa San Paolo S.p.A of Italy and Intesa San Paolo S.p.A Dubai Branch (as Arrangers and Original Lenders) and Intesa San Paolo S.p.A, London Branch (Agent) with export credit guarantee from the Swedish Export Credit Agency and the Swedish Export Credit Corporation for an amount of Forty-Two Million Euros (€42,000,000.00) to finance the Asphaltic Overlay of Selected Streets in Accra Phase-2 (120 km); AND**
- ii. **Commercial Facility Agreement between the Government of the Republic of Ghana (represented by the Ministry of Finance) and Intesa San Paolo S.p.A and Intesa San Paolo S.p.A Dubai Branch (as Arrangers and Original Lenders) and Intesa San Paolo S.p.A London Branch (as Agent) for an amount of Seventeen Million Euros (€17,000,000.00) to finance the Asphaltic Overlay of Selected Streets in Accra Phase-2 (120 km)**

in accordance with Article 181 of the 1992 Constitution of the Republic of Ghana.

Respectfully submitted.



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



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

PARLIAMENT OF GHANA LIBRARY 19TH MARCH, 2020

DEPARTMENT OF URBAN ROADS

**ASPHALTIC OVERLAY OF SELECTED ARTERIAL AND COLLECTOR
ROADS IN ACCRA (STREETS OF ACCRA)**

17th March, 2020

ADENTA AREA ROADS

| No. | Road Name | Length (km) | Remarks |
|-----|---|-------------|---------|
| 1 | Ntreh Avenue | 3.40 | |
| 2 | Nii Adjei Kwabena Road | 1.80 | |
| 3 | Ayaben Street & Lame Dwaame St. (De-Youngsters) | 1.20 | |
| 4 | ICGC Road | 1.50 | |
| | SUB-TOTAL | 7.90 | |

AYAWASO

| No. | Road Name | Length (km) | Remarks |
|-----|---|--------------|---------|
| 1 | Blohum Road/Odotei Tsui Ave./Tetteh Kwei St. (Dzorwulu) | 1.40 | |
| 2 | Nii Nortei Nyanchi St. (Dzorwulu) | 2.00 | |
| 3 | Osu Badu St. (Dzorwulu) | 0.80 | |
| 4 | Noi Tetreke St./Nartei Ababio St./Sir Arku Korsah Rd. (Roman Ridge) | 1.60 | |
| 5 | Kofi Annan St./Aviation Rd. (Airport Residential) | 2.00 | |
| 6 | Ridge Road/Onyasia Crescent (Airport Residential & Roman Ridge) | 1.00 | |
| 7 | Mankata Avenue Link | 0.45 | |
| 8 | Yiyiwa Road/ Yooyi Lane (Roman Ridge) | 0.42 | |
| 9 | Yooyi Loop (Roman Ridge) | 0.44 | |
| 10 | Continental Road (Roman Ridge) | 0.50 | |
| 11 | Swaniker St./Santana Rd. (Abelemkpe) | 2.80 | |
| 12 | Trotro St. (Abelemkpe) | 1.30 | |
| 13 | Abelemkpe Rd./Alhaji Sulley Rd. (Abelemkpe) | 1.40 | |
| 14 | Onyankle St. (Abelemkpe) | 1.00 | |
| 15 | Manhean Loop (Abelemkpe) | 1.00 | |
| 16 | Efua Sutherland Rd. (Dzorwulu) | 1.30 | |
| 17 | Dzorwulu Crescent/Nii Noi Kwame (Dzorwulu) | 1.80 | |
| 18 | Shika Shika St. (Abelemkpe) | 1.00 | |
| 19 | Lincoln Rd. (Abelemkpe) | 0.50 | |
| 20 | Archer Rd. (Abelemkpe) | 0.70 | |
| 21 | Garden St./Pawpaw St. (East Legon) | 1.90 | |
| 22 | Jungle Rd. (East Legon) | 1.20 | |
| 23 | Tanbu Lane (East Legon) | 0.47 | |
| 24 | Abotsi Street (East Legon) | 0.81 | |
| 25 | Alajo Link Rd./Black Stom St. (Alajo) | 1.50 | |
| 26 | Dr. Kwateng Rd. (Alajo) | 0.90 | |
| 27 | 1st Kotobabi Rd. (Pig Farm/Ebong) | 1.40 | |
| 28 | Abavana St. (Pig Farm) | 2.00 | |
| 29 | Alajo High St. (Nima/Kotobabi) | 0.80 | |
| 30 | Hill St. (Nima New Town) | 1.20 | |
| | SUB-TOTAL | 35.59 | |

TROBU

| No. | Road Name | Length (km) | Remarks |
|-----|------------------|-------------|---------|
| No. | Road Name | Length (km) | Remarks |
| 1 | Asofan Main Road | 2.10 | |
| | SUB-TOTAL | 2.10 | |

ABLEKUMA CENTRAL/WEST/SOUTH

| No. | Road Name | Length (km) | Remarks |
|-----|--|--------------|---------|
| 1 | Ayikai St. (Abossey Okai) | 1.00 | |
| 2 | Edwardo Mohdlana (Abossey Okai) | 4.00 | |
| 3 | Kwashiman St. (Abossey Okai) | 0.90 | |
| 4 | Market Link (Abossey Okai) | 1.20 | |
| 5 | Mataheko St. & Peregrino Aryee St. (Abossey Okai) | 1.20 | |
| 6 | Nii Aboase St. (Abossey Okai) | 0.50 | |
| 7 | Kpakpo Mankrolo St. (Matehoko) | 1.40 | |
| 8 | Blue lagoon Rd./Wesley Grammer South Gate (Odorkor) | 2.30 | |
| 9 | Dr. Busia St. (Odorkor) | 0.80 | |
| 10 | Aku Omenu St./Mantse Kwao St. (Odorkor) | 1.60 | |
| 11 | Korly Kojo/Garden Garden St. (Odorkor) | 1.11 | |
| 12 | Woowoti St. (Dansoman) | 2.60 | |
| 13 | Dansoman Rd./Wesley Grammer Main Entrance (Dansoman) | 1.50 | |
| 14 | Sempe Loop (Dansoman) | 0.50 | |
| 15 | 3rd Rd. (Dansoman) | 0.80 | |
| 16 | 4th Drive/Akwei Onufugbortsui St. (Dansoman) | 1.00 | |
| 17 | Outer Ring Rd. (Dansoman) | 1.00 | |
| 18 | Poultry Farm Ave. (Dansoman) | 1.00 | |
| | SUB-TOTAL | 24.41 | |

ASHIEDU KETEKE

| No. | Road Name | Length (km) | Remarks |
|-----|---|-------------|---------|
| 1 | Abossey Okai -Agbogbloshie Market Rd. (Accra) | 2.00 | |
| 2 | Adedenkpo Rd. (Accra) | 0.60 | |
| 3 | Okomfo Sarpei (Accra) | 0.70 | |
| 4 | Agbon Kwatei (Accra) | 0.70 | |
| 5 | Fearon Rd. (Accra) | 0.60 | |
| 6 | Ocquay Rd. (Accra) | 0.35 | |
| 7 | Bank Rd./Bishop Lamere (Accra) | 0.30 | |
| 8 | Nii Kwe Duodu Rd. (Accra) | 0.70 | |
| | SUB-TOTAL | 5.95 | |

OKAIKOI & ABLEKUMA NORTH

| No. | Road Name | Length (km) | Remarks |
|-----|--|-------------|---------|
| 1 | Tetteh Okuley Ave. (Abofu) | 1.10 | |
| 2 | Aaye-Ayeefee Ave./Pumpkin Ave. (Akweteman) | 2.00 | |
| 3 | Nii Adana St. (Akweteman) | 1.50 | |
| 4 | Ayikia Lane (Abofu) | 1.00 | |
| 5 | Fish Pond Road (Lapaz/ Mile 7) | 3.20 | |
| 6 | Kwashie Bezrot Street | 1.70 | |

| No. | Road Name | Length (km) | Remarks |
|-----|---|--------------|---------|
| 7 | 4th St./VCRAC Crabbe (Tesano) | 1.50 | |
| 8 | Brenya avenue (Tesano) | 2.20 | |
| 9 | Nii Alotey Street (Abeka Free Pipe) | 0.75 | |
| 10 | Haadzi Street (Avenor) | 2.00 | |
| 11 | Obuobi Gonnor Street (Fadama) | 1.50 | |
| 12 | Prince Okai Street/ Manye Adorkor Avenue (Achimota) | 1.50 | |
| 13 | Justice A. Brobbey (Achimota) | 1.20 | |
| 14 | Red Okai Street (Achimota) | 0.70 | |
| 15 | Silver Link (Achimota) | 0.30 | |
| 16 | 2nd Street (Mile 7) | 1.00 | |
| 17 | 10th Street (Achimota) | 0.80 | |
| 18 | Numo Ayitey Kobla Street (Achimota) | 0.60 | |
| 19 | Race Course to Sowutuom (Race Course) | 3.00 | |
| 20 | Church Road/ Botwe Avenue (Abeka) | 1.10 | |
| 21 | Fadama Road (Fadama) | 0.70 | |
| 22 | Ayawaso Road (Fadama) | 1.10 | |
| 23 | Korlega Street (Fadama) | 1.30 | |
| 24 | Obonu Street/ Nii Danko Street (North Kaneshie) | 2.50 | |
| 25 | Oshipi Street (North Kaneshie) | 1.50 | |
| 26 | Boame Street (North Kaneshie) | 1.40 | |
| 27 | Agbon Boi Street (Bubiashie) | 2.10 | |
| 28 | Tabo Street (Bubiashie) | 1.80 | |
| 29 | Nii Asere Ayitey Road (Bubiashie) | 1.00 | |
| 30 | Eduardo Mohdlana Road (Kaneshie) | 0.80 | |
| 31 | Nii L. Okunka St./ Mantse Akromah St./ Asafoatse Omani Street | 1.20 | |
| 32 | Asafoatse Ashie Street/ Anunsah Clottey Street (Kaneshie) | 1.40 | |
| 33 | Teiko Akwatia Street (Kaneshie) | 0.90 | |
| 34 | Nikoi Olai Street/ Nii Amasa Street (Bubiashie) | 2.00 | |
| 35 | Owusu Kofi Street (Darkuman) | 1.80 | |
| 36 | Nii Adaman/ Kristo Asafo Street (Darkuman) | 2.20 | |
| 37 | Trakor Street/ Obuabi Gonno Street (Fadama) | 1.40 | |
| | SUB-TOTAL | 53.75 | |

OSU KLOTTEY/LA

| No. | Road Name | Length (km) | Remarks |
|-----|-------------------------------------|-------------|---------|
| 1 | Switchback Rd. (Cantonments) | 0.60 | |
| 2 | Orphan Crescent (Cantonments) | 1.30 | |
| 3 | Peter Ala Adjetej Rd. (Cantonments) | 0.85 | |
| 4 | 2nd Circular Rd. (Cantonments) | 2.20 | |
| | SUB-TOTAL | 4.95 | |

SUMMARY

| AREA | Length (km) |
|-------------------|-------------|
| ADENTA AREA ROADS | 7.90 |

| No. | Road Name | Length (km) | Remarks |
|-----|-----------------------------|---------------|---------|
| | AYAWASO | 35.59 | |
| | TROBU | 2.10 | |
| | ABLEKUMA CENTRAL/WEST/SOUTH | 24.41 | |
| | ASHIEDU KETEKE | 5.95 | |
| | OKAIKOI & ABLEKUMA NORTH | 53.75 | |
| | OSU KLOTTEY/LA | 4.95 | |
| | GRAND TOTAL | 134.65 | |

NOTES

- 1 Check for pavement strength (intergrity) and strengthen accordingly
- 2 Check drainage issues and repair prior to paving
- 3 Overlay 20m into adjoining junctions

SELECTION CRITERIA

Heavily trafficked Roads with numerous potholes (both patched and

- 1 newly observed)
- 2 Road Network Connectivity
- 3 Major Roads (Arterials and Collectors)
- 4 Roads with severe defects apart from potholes