

**IN THE SECOND MEETING OF THE THIRD
SESSION OF THE EIGHTH PARLIAMENT OF THE
FOURTH REPUBLIC OF GHANA**

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

ON THE

**EPC/TURNKEY CONTRACT AGREEMENT
BETWEEN THE GOVERNMENT OF THE REPUBLIC
OF GHANA (REPRESENTED BY THE MINISTRY
OF WORKS AND HOUSING) AND THE DOUJA
PROMOTION GROUPE ADDOHA FOR AN AMOUNT
OF FIFTY-SIX MILLION, EIGHT HUNDRED AND
FIFTY-SIX THOUSAND UNITED STATES DOLLARS
(US\$56,856,000.000) TO FINANCE THE
IMPLEMENTATION OF THE NATIONAL
AFFORDABLE HOUSING PROGRAMME AND THE
REVISED REDEVELOPMENT SCHEME**

JULY, 2023

REPORT OF THE COMMITTEE ON WORKS AND HOUSING ON THE EPC/TURNKEY CONTRACT AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA (REPRESENTED BY THE MINISTRY OF WORKS AND HOUSING) AND THE DOUJA PROMOTION GROUPE ADDOHA FOR AN AMOUNT OF FIFTY-SIX MILLION, EIGHT HUNDRED AND FIFTY-SIX THOUSAND UNITED STATES DOLLARS (US\$56,856,000.00) TO FINANCE THE IMPLEMENTATION OF THE NATIONAL AFFORDABLE HOUSING PROGRAMME AND THE REVISED REDEVELOPMENT SCHEME

1.0 INTRODUCTION

The Hon Deputy Minister for Works and Housing, Mr Abdulai Abanga on 18th July 2023, laid before the House, an EPC/Turnkey Contract Agreement between the Government of the Republic of Ghana (represented by the Ministry of Works and Housing) and the Douja Promotion Groupe Addoha for an amount of Fifty-Six Million, Eight Hundred and Fifty-Six Thousand United States Dollars (US\$56,856,000.00) to finance the implementation of the National Affordable Housing Programme and the Revised Redevelopment Scheme.

The Contract Agreement was referred to the Committee on Works and Housing for consideration and report in accordance with article 103 of the 1992 Constitution of the Republic of Ghana and Order 180 of the Standing Orders of Parliament for consideration and report.

2.0 DELIBERATIONS

The Committee met with the Hon Minister for Works and Housing, Mr Francis Asenso-Boakye; the Deputy Minister for Works and Housing, Hon Abdulai Abanga; and officials of the Ministry of Works and Housing and considered the referral.

The Committee is grateful to the Hon Minister and officials of the Ministry of Works and Housing for assisting them in its deliberations.

3.0 REFERENCE DOCUMENTS

The Committee made reference to the following documents during its deliberations:

- i. The 1992 Constitution of Ghana;
- ii. The Standing Orders of Parliament; and
- iii. EPC/Turnkey Contract Agreement between the Government of the Republic of Ghana (represented by the Ministry of Works and Housing) and the Douja Promotion Groupe Addoha for an amount of Fifty-Six Million, Eight Hundred and Fifty-Six Thousand United States Dollars (US\$56,856,000.00) to finance the implementation of the National Affordable Housing Programme and the Revised Redevelopment Scheme.
- iv. The Public Procurement Act 2003, Act 663 as Amended

4.0 BACKGROUND

4.1 Housing Deficit in Ghana

The Housing deficit in the country is estimated at 2 million and this poses a challenge to the achievement of Government's goal of providing adequate and affordable housing for its citizens. The unavailability of affordable housing units has become a critical problem in urban Ghana, with the urban population projected to increase from 58 per cent to 70 per cent by 2050.

Statistics indicate that only 5 per cent of the country's population can access housing without any form of support from the Government. 60 per cent of the population of Ghana would require some form of Government intervention to access decent housing, it further indicates that 35 per cent of the population would be unable to access a decent house without Government subsidy.

5.0 OBJECTIVE OF THE PROJECT

The overall objective of the National Affordable Housing Programme is to address housing deficit and its ramifications in line with the new policy direction of Government to provide adequate, safe, decent, secured and affordable housing units through public and private sector investments.

5.1 National Affordable Housing Programme (AHP)

The National Affordable Housing Programme is a revised framework that aims to secure undeveloped land banks to provide standard and affordable housing units for Ghanaians. Under the new framework, the Ministry of Works and Housing in collaboration with the Ministry of Lands and Natural Resources is providing 403- acre land at Pokuase/Amasaman and Dedesua in Greater Accra and Ashanti Regions. The Government of Ghana would provide offsite infrastructure such as electricity, water and roads constituting 40 per cent of the total cost of the project.

The National Affordable Housing Programme is a Public Private Partnership (PPP) arrangement under which the private developers are expected to provide 60 per cent of the total cost of the entire project. Under the arrangement 4,000 housing units are expected to be fully completed in 16 months.

Five private developers have been selected to provide the Housing units under the programme. These comprise four local developers namely; Frankpaul Ventures Company Limited, Rehoboth Properties Limited, Devtraco Group Limited and State Housing Company Limited. The fifth developer, Douja Promotion Groupe Addoha, is a leading housing sector player in Morocco.

5.2 The Revised Redevelopment Programme

The Revised Redevelopment scheme seeks to improve the condition of deteriorated neighbourhoods by replacing dilapidated structures situated on valuable lands with state-of-the-art housing units.

This approach will minimise additional infrastructural costs for the Government and eventually increase the Housing stock in the Country.

The scheme is also aimed at the redevelopment of bungalows and properties owned and managed by the Ministry of Works and Housing for the benefit of public servants nationwide.

6.0 DOUJA PROMOTION GROUPE ADDOHA

Douja Promotion Groupe Addoha is a leading Housing Sector player in Morocco, operating in six countries in Sub-Saharan Africa including Ghana. The Company has a strong track record of delivering affordable Housing Projects in some African Countries.

Douja Promotion Groupe Addoha has a registered local company in Ghana (Douja Promotion Groupe Addoha Limited) and intends to utilise this company for the implementation of the Affordable Housing Programme and the Redevelopment Scheme.

This approach falls in line with the Ministry of Works and Housing's objective of promoting Local participation and economic growth through the affordable Housing and the redevelopment Schemes.

7.0 SELECTION PROCESS

The Committee was informed that in adherence to section 40(1) (e) of the Public Procurement Act 2003, Act (663) as amended, a comprehensive selection process was carried out. The selection criteria encompassed verified experience in handling large-scale housing construction projects, financial stability, technical proficiency and capacity, as well as a dedication to local content development and capacity building.

The table below provides the breakdown of the housing units of the five private developers including one foreign company, Douja Promotion Groupe Addoha, in the participation of the programme.

Zone	FIRM	Average Number of Housing Units	Acres
1	Frankpaul Ventures Company Limited	1,600	41.52
2	Rehoboth Properties Limited	1,600	40.74
3	Douja Promotion Groupe Addoha	1,600	40.14
4	Devtraco Group Limited	1,600	40.31
5	State Housing Company Limited	1,600	41.37

Number of Housing Units per developer – Pokuase/Amasaman (8,000 housing units)

8.0 JUSTIFICATION FOR THE SELECTION OF DOUJA PROMOTION GROUPE ADDOHA AS ONE OF THE DEVELOPERS

The inclusion of Douja Promotion Groupe Addoha alongside the local private developers was primarily anchored on the need to bring on board expertise and technical know-how to ensure the provision of high quality housing units that meet the housing needs of the nation.

Furthermore, the Company has demonstrated commitment to meet timelines set out by the Ministry for efficient implementation of the project.

In addition, Douja Promotion Groupe Addoha has the resources to provide the quantum of funds required to deliver the expected quantity of housing units.

The Douja Promotion Groupe Addoha has proven track record of successfully implementing similar housing projects in countries such as Morocco and Cote D'Ivoire. This goes to demonstrate that the company has the capacity to deliver under the National Affordable Housing Programme.

9.0 DURATION OF THE PROJECT

The Affordable Housing Programme is set to span a period of 36 months from the commencement date. The initial phase of the Housing Project would comprise 4,000 housing units and expected to be completed within 16 months.

10.0 LOCAL CONTENT

Douja Promotion Groupe Addoha Ltd, Ghana has demonstrated commitment to local content development. The company would employ and train local staff to work on the project.

11.0 OBSERVATIONS AND RECOMMENDATIONS

11.1 Stakeholders Consultation

The Committee noted that the Ministry held consultations on the location, cost, and type of housing with key stakeholders including the Ministry of Finance, Office of the Attorney General and Ministry of Justice, Lands Commission, the Public Procurement Authority and the relevant Municipal, Metropolitan and District Assemblies.

Furthermore, the Ministry informed the Committee that it engaged Labour Unions such as the Ghana National Association of Teachers (GNAT); Ghana Medical Association (GMA) and Ghana Registered Nurses Association (GRNA) on possible acquisition of some of the Housing Units for their Members upon completion of the project.

11.2 Housing Deficit

The Committee was informed that the housing deficit of the country is estimated at 2 million. The huge housing deficit has contributed to high cost of land, building materials, interest rate on loans and weak settlement planning. The introduction of this programme would therefore go a long way to reduce the housing deficit in the country.

In addition, the Ministry informed the Committee that weak regulatory and institutional framework as well as poor urban settlement planning have had a negative impact on the housing and construction sectors, particularly leading to the formation of slums. The Affordable Housing Programme and the revised Redevelopment scheme would therefore help to provide solution to these problems.

The Committee recommended that, the Ministry of Works and Housing engage more investors in the Housing Sector to enable the country meet the Sustainable Development Goal 11 to ensure access to safe and affordable housing.

11.3 Implementation Arrangements

The Committee observed that Messrs Douja Promotion Groupe Addoha, appointed by the Ministry of Works and Housing would be the consortium for the programme. However, the overall responsibility of this programme with remains with the Ministry of Works and Housing. The implementation arrangement includes among others the preparation and approval of planning schemes, provision of additional infrastructure, where necessary, to enhance the value of the lands to be allocated.

11.4 Saglemi Housing Project

The Committee raised concerns on the Saglemi Housing Project which is currently at a stand-still. The Ministry informed the Committee that government is committed to finding solution to the Saglemi Housing Project. However, the Government has decided to work with the private sector on the entire project.

The Committee advised the Ministry to swiftly complete the project to benefit Ghanaians.

12.0 CONCLUSION

The Committee after careful deliberations of the Contract Agreement, and having regard to the enormous benefits to be derived from the implementation of the programme, particularly, providing decent, secured and affordable housing to Ghanaians, recommends to the House to adopt its report and approve the EPC/Turnkey Contract Agreement between the Government of the Republic of Ghana (represented by the Ministry of Works and Housing) and the Douja Promotion Groupe Addoha for an amount of Fifty-Six Million, Eight Hundred and Fifty-Six Thousand United States Dollars (US\$56,856,000.00) to finance the implementation of the National Affordable Housing Programme and the Revised Redevelopment Scheme.

Respectfully submitted.



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