

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

REPORT OF THE FINANCE COMMITTEE

ON

**THE LOAN AGREEMENT OF US\$4,100,000
BETWEEN THE REPUBLIC OF GHANA AND THE
ARAB BANK FOR ECONOMIC DEVELOPMENT
IN AFRICA (BADEA) FOR THE REHABILITATION
OF THE BOLGATANGA REGIONAL HOSPITAL PROJECT**

1.0 INTRODUCTION

The above Loan Agreement was laid in the House on Wednesday 19th May, 1999 and referred to the Finance Committee in accordance with Article 181 of the Constitution and Order No. 171 (1) of the Standing Orders of the House for consideration and report.

The Committee met the Deputy Minister of Health, Hon. Moses Adibo and his technical staff, considered the relevant documents and reports as follows:

2.0 BACKGROUND INFORMATION

- The Bolgatanga Regional Hospital was built and commissioned in 1949 as a small facility to cater for the expatriate community of the Eastern part of the Northern Territories of the Gold Coast.

In 1952, the Government took over and expanded it to serve the needs of the local population. With the creation of the Upper Region after independence, it assumed the role of a Regional Hospital without major **physical alterations**.

- Today, the Bolgatanga Regional Hospital serves the Upper East Region which is one of the most deprived regions of the country in terms of hospital services.

The region lies within the cerebro-spinal meningitis (CSM) belt of West Africa.

- The hospital lacks modern equipment and facilities which could provide the necessary attractive work environment .
- The Mortuary fridge installed in 1987 no longer functions due to the unavailability of spare-parts and the hospital's standby generator due to its small capacity, only serves the operating theatre. During power cuts, hurricane lamps become the source of light. The improvised laboratory of the hospital is also in a state of disrepair and is poorly equipped with old and unserviceable equipment.

- The hospital lacks a proper medical store.

Its makeshift store rooms make it difficult to follow the recommended storage conditions and keep track of stocks. Further adequate medical supplies cannot be purchased and stored in the hospital.

- The Outpatients Department (OPD) unit which is also in a deplorable state is over crowded with staff and patients making the OPD inadequate and unsuitable for the provision of quality care.
- The Dental department like the laboratory suffers from lack of accommodation and is also in a state of disrepair.
- The Central Sterilization Department is ill equipped, poorly maintained and inadequate to serve the demands of a regional hospital.
- **The Hospital also lacks the following facilities :**
- Physiotherapy/Orthopaedic department with ward
- Mothers hospital to accommodate mothers whose young children are on admission
- Incinerator
- Administrative Block
- Accommodation for Medical staff.

Absence of Specialist Staff

- The deterioration or absence of basic equipment and facilities and the lack of adequate staff premises make it impossible to attract the right calibre of specialist staff befitting the hospital's regional status/role as a **Referral Hospital** for the Upper East Region. Little wonder doctors and other supporting health professionals are reluctant to accept transfers to the Upper East Region.

Deterioration of Existing Facilities and Systems

- Between 1952 when the Government took over the Bolgatanga Hospital and 1995 when there was some modest rehabilitation works, no major rehabilitation work has since been carried out in the hospital and the existing infrastructure has been in a state of disrepair.
- The wards are no longer safe or adequate for effective patient care, as equipment are outmoded and broken down. The existing staff accommodation is in a complete state of disrepair making it difficult to attract and retain the needed staff at the hospital. The laundry unit does not have a single item of laundry equipment exposing staff and patients to great risks in cleaning the soiled dirty linen.

The effect is that morale is low amongst the existing staff. In spite of the inadequate facilities and equipment there has been a large increase in patient population and the workload is much greater than it should be.

- Patients to the hospital experience long waiting periods and the non-availability of supplies and appropriate staff to care for their specific needs, patient confidence is being eroded, but for the lack of alternative services in the region, many would have stopped seeking care at the hospital.
- **The adverse conditions and the general state of disrepair of the Bolgatanga hospital necessitates the need for rehabilitation.**
- **The BADEA Loan facility under consideration with its corresponding Government matching funds is to be used to rehabilitate the Bolgatanga Regional Hospital.**

3.0 OBJECTIVE OF PROJECT

- The objective of the project is to support Government's policy aimed at spreading and improving health services throughout the country.
- The project is expected to promote and develop public health services as well as the environment in Bolgatanga town in particular and in the Upper East Region in general.

3.1 PROJECT COMPONENTS

The project consists of the following components:

A. Civil Engineering Works

- Completion of the Maternity complex
- Construction of the Out-patients' Department

- Construction of the Central Sterilization Unit and the Laboratory
- Construction of the Emergency Centre
- Construction of the Orthopedics and Physiotherapy Unit
- Construction of staff quarters
- Rehabilitation of the electricity supply network
- Rehabilitation of the water supply and sewerage networks
- Rehabilitation of the internal roads and the storm water drainage system
- Construction of the security fencing.

B. Equipment

- Medical equipment
- Laboratory equipment
- X-ray and ultra sound equipment
- New Incinerator
- Standby electrical generator
- Internal telephone network
- Maintenance equipment

C. Furniture

All necessary furniture for the new construction.

D Vehicles

One ambulance for long distance

One ambulance for in-town services

One haulage truck

E Training

- Training of medical doctors to specialize in the fields of general surgery, orthopedics, medicine, obstetrics and gynecology, physiotherapy and pediatrics
- Training of two medical doctors in the field of hospital administration
- Training of technicians on operation and maintenance of medical equipment.

F Consultancy Services

- Preparation of the detailed designs
- Preparation of the bidding documents and assistance in tenders evaluation and award of contracts
- Supervision and control of projects implementation.

4.0 TERMS AND CONDITIONS

Loan Amount - US\$4,100,000

Interest Rate - 3.0 percent per annum

Repayment Period: Interest- The interest and other eventual charges shall be paid semi-annually on 1st February and 1st August in each year.

Repayment Period: Principal - Starting in August, 2002, the Principal shall be paid back according to an amortized schedule in the agreement until 2018 (attached as Appendix I)

5.0 OBSERVATIONS

The Committee observed that the project under consideration falls within the Medium Term Health Strategy of the Ministry of Health (MOH), outdoored in September, 1997 intended to guide the country's health development in the medium-term. The five-year Strategic Development Plan makes provision for the construction of new Regional hospitals and the rehabilitation of others in addition to the development of District Hospitals.

The Committee noted that under the terms of the contract, the Government is expected to contribute matching funds of US\$1,030,000 equivalent to ₪2,472,000 towards the project.

The Committee noted that provisions have been made for the above under MOH/MTEF budget as follows:

1999	-	¢824,000.00
2000	-	¢824,000.00
2001	-	¢824,000.00

BENEFITS

- The Committee was further informed that expected benefits to be derived from the rehabilitation of the Bolgatanga Regional Hospital include among others an attractive work environment which in turn is expected to attract high calibre specialists, presently not available. The result being that no longer would seriously ill patients beyond the capability of doctors in the region be referred to Tamale and beyond.
- The specialists in the Regional hospital would in the improved work environment be able to train general duty doctors and other supporting health workers on the job and thus improve the quality of care. In the long run the average length of stay of patients both in the Regional hospital and the other hospitals would be reduced thus bringing down the cost of outpatient care. Overall the health status of the people of the Upper East Region would improve.

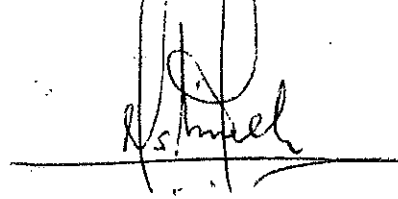
6.0 RECOMMENDATION

It is the view of the Committee that the rehabilitation of the Bolgatanga Regional Hospital will go a long way to improve the health delivery system in the region.

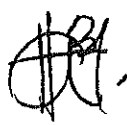
The Committee therefore recommends to the House, the approval of **US\$4,100,000** between the Republic of Ghana and the Arab Development Bank for the rehabilitation of the Bolgatanga Regional Hospital in accordance with Article 181 of the Constitution and Section 7 of the Loans Act 1970, Act 335.

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Respectfully submitted



**HON CDRE S.G. OBIMPEH (RTD)
CHAIRMAN**



**ASANTE AMOAKO-ATTA
CLERK TO THE COMMITTEE**

1st June, 1999

APPENDIX I
AMORTIZATION SCHEDULE

<u>DATE</u>			<u>PAYMENT OF PRINCIPAL</u>
<u>PAYMENT DUE</u>			<u>(EXPRESSED IN U.S. \$)</u>
1.	1 st August	2002	101,000
2.	1 st February	2003	102,000
3.	1 st August	2003	104,000
4.	1 st February	2004	105,000
5.	1 st August	2004	107,000
6.	1 st February	2005	109,000
7.	1 st August	2005	110,000
8.	1 st February	2006	112,000
9.	1 st August	2006	114,000
10.	1 st February	2007	115,000
11.	1 st August	2007	117,000
12.	1 st February	2008	119,000
13.	1 st August	2008	120,000
14.	1 st February	2009	122,000
15.	1 st August	2009	124,000
16.	1 st February	2010	126,000
17.	1 st August	2010	128,000
18.	1 st February	2011	130,000
19.	1 st August	2011	132,000
20.	1 st February	2012	134,000
21.	1 st August	2012	136,000
22.	1 st February	2013	138,000
23.	1 st August	2013	140,000
24.	1 st February	2014	142,000
25.	1 st August	2014	144,000
26.	1 st February	2015	146,000
27.	1 st August	2015	148,000
28.	1 st February	2016	151,000
29.	1 st August	2016	153,000
30.	1 st February	2017	155,000
31.	1 st August	2017	158,000
32.	1 st February	2018	158,000