

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

**THE FINANCE COMMITTEE REPORT ON THE  
LOAN AGREEMENT BETWEEN THE REPUBLIC OF  
GHANA AND THE AFRICAN DEVELOPMENT FUND  
(ADF) FOR FINANCING THE TETTEH QUARSHIE -  
MAMFE ROAD PROJECT**

**1.0 INTRODUCTION**

The above Agreement was laid in the House on Friday, 11th May 2001, in accordance with Article 181 of the Constitution, and referred to the Finance Committee for consideration and report, pursuant to Article 171(1) of the Standing Orders. The Committee met with the Minister for Roads and Highways, Hon. K. Adjei-Darko, and his technical men and reports as follows:

**2.0 BACKGROUND**

The Tetteh Quarshie Circle - Mamfe Road forms part of the National Highway Trunk Road Network, which connects the Greater Accra and Eastern Regions as well as to Kumasi. The Circle which is the beginning of the project, is currently a 600 meter diameter intersection serving as a transition point from the urban to the trunk roads, and is a converging point for traffic to and from Accra to all the other regions of Ghana. This is therefore an important part of the Ghana Road Network and has to be treated with as much urgency as possible.

## **2.1 PROJECT OBJECTIVE AND DESCRIPTION**

The main objective of this Project is to enhance Government's goal of poverty reduction and economic development by reducing road accidents, travel time, congestion and vehicle operating costs.

It will consist of the following components:

- A. The Tetteh Quarshie Interchange section will be a grade separated interchange with an elevated motorway consisting of a two span supported over a bridge with twin independent decks. Each span will be about 19 meters long with the over-bridge serving as a connector over the 600m diameter Tetteh Quarshie roundabout from the Tema Motorway in the north-eastern corridor to Achimota road in the south-western corridor.
- B. The Tetteh Quarshie to Pantang Section starts from the southern approach of the interchange and stretches for 10km to the Pantang junction. This will be a three-lane asphalt concrete surface dual carriageway with service roads to serve the various frontage developments.
- C. Pantang to Mamfe will be newly rehabilitated 30km single-carriageway double bitumen surface treatment road with a width of 7m and 2m single bitumen surface treatment shoulders on both sides.
- D. Institutional Support will provide technical assistance to the Ghana Highway Authority for improvement in the management information, financial management as well as contract administration systems. Both local and foreign short-term training will be provided for staff at all levels.

The ADF and the Borrower will finance items A, C, D described above and item B will be financed by the IDA under the Road Sector Development Program.

The project is expected to be completed within 52 months from the effective date of the Contract for the works

### **3.0 TERMS AND CONDITIONS**

<b>Total Credit Amount</b>	-	<b>UA 25 million</b>
<b>Repayment Period</b>	-	<b>40 years</b>
<b>Grace Period</b>	-	<b>10 years</b>
<b>INTEREST</b>		
<b>From the 11<sup>th</sup> to 20<sup>th</sup> year Inclusive</b>	-	<b>1%</b>
<b>From the 21<sup>st</sup> to 40<sup>th</sup> year inclusive</b>	-	<b>3%</b>
<b>Service Charge</b> (payable on 1 <sup>st</sup> March and 1 <sup>st</sup> Sept. each year)	-	<b>0.75%</b>
<b>Commitment Charge</b> (beginning 120 days after signature)	-	<b>0.50%</b>

### **4.0 OBSERVATIONS**

#### **EXEMPTIONS**

- The Committee observed that the Principal, service charge and other charges on the Loan shall be paid with no deductions and shall be exempt from any taxes, and so shall be the Agreement and all its subsequent transactions.
- The project for which the Loan is contracted is also exempt from all forms of fiscal levies and taxes.

## **5.0 RECOMMENDATION**

The Committee, having closely examined the Agreement recommends to the House for approval, by Resolution, the Loan Agreement for UA 25 million between the Government of Ghana and the African Development Fund, in accordance with Article 181 of the Constitution and Section 7 of the Loans Act 1970, Act 335.

Respectfully submitted.



**HON. R. ADDAI BASOAH  
(CHAIRMAN)**



**AMY FORSON  
(PRINCIPAL ASST. CLERK)**

18th May 2001