

# **SPEAKING NOTES**

## **SIGNING OF THE LOAN AGREEMENT FOR THE REHABILITATION AND EXPANSION OF BOLGATANGA REGIONAL HOSPITAL ON WEDNESDAY, 5<sup>TH</sup> NOVEMBER, 2008 AT THE MINISTRY OF FINANCE AND ECONOMIC PLANNING CONFERENCE ROOM**

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Your Excellency Eng. Yousef Al-Bassam, the Vice Chairman and  
Managing Director of the Saudi Funds for Development

Members of the Mission,

Colleague Ministers

Chief Director, MOFEP

Special Advisor, MOH

The Press

Ladies and Gentlemen,

It is my great pleasure to welcome all of you here on this memorable occasion regarding the signing of the loan Agreement for the rehabilitation of Bolgatanga Hospital in the Upper East Region.

### **2. Background**

Economic Cooperation between Ghana and the Saudi Fund for Development dates back to the 1970s and increased substantially over the years.

In 1999, the Arab Bank for Economic Development in Africa (BADEA) granted a loan facility of Four Million, One Hundred Dollars (US\$4.1 million) to the Republic of Ghana for the first Phase of the Bolgatanga Regional Hospital Rehabilitation Project (BRHRP). In 2003, an additional loan of One Million Two Hundred Thousand Dollars (US\$1.2 million) was extended by BADEA to the Republic to address a funding shortfall. The project, the civil works of which commenced in 2004, involved Civil Engineering and Equipment works for the Completion of Maternity Complex, the construction of a new Out-patient Department, two blocks of Senior staff quarters, security fencing and the rehabilitation of electric and water supply and sewerage networks. These have been substantially (about 92%) completed. An Ambulance and a Haulage truck were also provided under the project.

For the completion of the rehabilitation and expansion works, to enhance quality health care delivery at the hospital, the Republic of Ghana requested, the SAUDI FUND to provide another loan of 45,000,000 Saudi Riyals (US\$12.00 million) to finance the second phase of the project.

### **3. Project Objective**

The objective of the project is to support the Government’s policy under the Health Sector Programme of work, of rehabilitating and expanding fixed and mobile facilities through cost effective means in the deprived regions of the country especially in the wake of the implementation of the National Health Insurance Scheme.

i. Bolgatanga is in the Upper East Region of Ghana. It covers a total area of 8,842 sq metres and has a population of approx. 1.1 million. (density of about 124).

ii. The Upper East Region is composed of 5 Districts. Each with a District Hospital. The Bolgatanga Hospital serves a referral point for these District hospitals and for more than 20 health centres in the region.

iii. The Ghana Government is determined to improve the quality and equity of access to essential health care in the country and to ensure that the health sector continues to play an essential role in the Poverty reduction strategy in the country.

iv. A major policy thrust of the Ministry of Health is beside quality, to improve on the geographical access to primary and secondary health care through infrastructural development – rehabilitation and expansion of health facilities.

v. The Rehabilitation of the Bolgatanga Hospital is a manifestation of this policy initiative, especially for the people of the Upper East Region, Cabinet and Parliament considered and approved the Loan Agreement of 45.00 million Saudi Riyals (US\$12.0 million) in October 2008.

4. This second and final phase is to be financed as follows:

	<b>US\$’million</b>
Saudi Fund (45.00 million Saudi Riyals)	- 12.00
Ghana Government	- <u>2.05</u>
Projected Total Cost	- <b><u>14.05</u></b>

The Ministry of Health, the Implementation Agency for the project, has taken steps to commence the implementation from December 01, 2008. To this end, a Project Implementation Unit (PIU) has been established by the Ministry to see to the activation of the project components and timely delivery of the enhanced facility to make quality health care available to the people of the Upper East Region.

## **5. Scope of the Project**

The loan will be utilized for Civil Engineering works, purchase of hospital equipment, furniture and vehicles.

A summary of the Project Components are:

- (i) Civil Works - Construction of:
  - Public Health and Dental Services Block
  - Blood Bank Unit
  - Accident and Emergency Centre
  - Surgery Department
  - Mortuary Building
  - Wards: Obstetrics & Gynaecology, Surgical, Medical Pediatric, Chest & Orthopaedic
  - Pharmacy, Dispensary
  - Kitchen & Laundry
  - Workshop
  - Extension of internal roads, water and electric power supply
- (ii) Medical and hospital equipment
- (iii) Architectural & Engineering Consultancy Services
- (iv) Supply of medicine vehicles
- (v) Project Implementation costs

## **6. Financing**

The terms and conditions of the SAUDI FUND loan (Grant Element 58.3%) are as follows:

Loan Amount	-	45,000,000 Saudi Riyals
Grace Period	-	10 years
Loan Maturity Period	-	30 years
Interest Rate	-	1%
Service Charge	-	½ %

**7. Other Areas of Economic Cooperation at a Glance:**

<b>Project</b>	<b>Sector</b>	<b>Date Signed</b>	<b>Amount (US\$) (000,000)</b>	<b>Status/ Remarks</b>
Kpong Hydroelectric	Energy	13-02-77	30.59	Completed
Grains Storage Project	Agric	23-11-85	4.53	Completed
College of Science (Accra)	Education	28-11-85	3.80	Completed
Tema & Takoradi Port Rehab.	Port, Rail	20-11-86	12.80	Completed
Support for Economic Dev. Project	MOFEP	27-07-87	4.00	Completed
Northern Grid Power Project	Energy	12-10-87	4.70	Completed
Rural Health Centers Project I	Health	31-12-93	9.50	Completed
Rural Health Centers Project II	Health	10-05-93	10.36	Completed
Consultancy Services	Roads & Highways	2004	10.00	Completed
Madina-Pantang Section of Tetteh Quarshie Mamfe Road Project	Roads & Highways		10.17	Road Works Commission
Bolgatanga Regional Hospital Rehab. and Expansion	Health	-	-	Loan to be Signed

The Hon. Minister of State may wish to take this opportunity to express the country's profound gratitude to Saudi Fund for Development (SDF) for its continued support towards Ghana's socio-economic development.