

**SPEAKING NOTES FOR HON. MINISTER ON THE OCCASION OF THE  
SIGNING OF TWO AGREEMENTS WITH FRANCE AT THE MOFEP  
CONFERENCE ROOM ON 4<sup>TH</sup> MARCH 2008 AT 2:30 PM.**

*Your Excellency, Mr. Pierre Jacquemot, the French Ambassador,*

*Mr. Benoit Lebeurre, Resident Manager, AFD.*

*The Press,*

*Ladies and Gentlemen,*

1.0 INTRODUCTION

Ghana and France are about to sign two agreements, namely the Ghana Urban Transport Project and the Peri-Urban Water Project. By signing these two agreements the French Government will be making available a total sum of **€38.6million (€37.0million loan and €1.6million Grant)** to the Government of Ghana.

**€20.0million** of the total amount will be disbursed under the Ghana Urban Project for the provision of a modernized transport infrastructure and management system for the Accra and Kumasi Metropolitan areas whilst **€19.2million** will finance the provision of Water and Sanitation facilities in some districts of Brong Ahafo Region under the Rural and Peri-Urban Water Supply Project.

2.0. THE URBAN TRANSPORT PROJECT: (€20.0MILLION CONCESSIONAL LOAN)

The Ghana Urban Transport Project was designed based on a number of considerations. Ghana's population is over 20 million with almost half of the people living in urban areas. More than half of the 10million urban dwellers live in Accra and Kumasi.

In Accra, most residents use more than one hour to travel to work using several forms of public transport. Traffic in Accra is highly congested and heavily dependent on informal private bus services which are mostly unreliable and unsafe.

The Ghana Urban Transport Project is meant to modernize the transportation System so as to make it suitable for efficient management. The AFD Credit is meant to contribute to the improvement in the management of traffic, the provision of street lights and capacity building activities within the institutions involved in traffic and roads management.

An important feature of the Ghana Urban Transport Project is the licensing of vehicles by District Assemblies. This is expected to bring about improvements in the revenue mobilising capacity of the assemblies for development.

### 3.0. THE PERI-URBAN WATER PROJECT (€17.0M CONCESSIONAL LOAN, €1.60M GRANT)

The Peri-Urban Water Project is designed to increase potable water supply and improve sanitation conditions in the rural and urban communities of selected towns in the Brong Ahafo Region.

#### 3.1 The Water Component:

*This involves the*

- Construction of 112 hand-dug wells in village communities.
- Drilling of 621 boreholes equipped with pumps in rural areas.
- Drilling of 24 boreholes in small town and peripheral areas of urban areas.
- Provision of water to 18 small towns and Villages (Fententaa, Nsapor/Nanasuano, Nkwaeso/Nkwanta, Acherensua) by the Ghana Water Company Limited.
  
- Extension of Ghana Water Company Limited water supply network on the outskirts of Berekum, Jemdete-Adom and Kato.

#### 3.1.1 The Sanitation Component

*This involves the-:*

- 🔧 Construction of 161 latrines in public health facilities and schools,
- 🔧 Construction of 500 household latrines and/or soak- aways.
- 🔧 Educational programme on hygiene and sanitation in the beneficiary communities.

### 4.0 TERMS OF FACILITY

- |                    |   |                                |
|--------------------|---|--------------------------------|
| ➤ Interest rate    | - | 1%                             |
| ➤ Grace Period     | - | 10years.                       |
| ➤ Repayment Period | - | 20years.                       |
| ➤ Maturity Period  | - | 30years                        |
| ➤ Grant element    | - | 61.95% (Water Project)         |
|                    | - | 58.37% (Ghana Urban Transport) |

## 5.0 ON-GOING PROJECTS

Between 2005 and now, the AFD has committed over €117.9million in concessional loans and €4.7 in grant to the following projects which are on-going.

5.1 <u>PROJECTS (LOANS)</u>	<u>AMOUNT (€)</u>
❖ Urban Environmental Sanitation Project	- 23.0m
❖ Community Based Rural Development Project	- 10.0m
❖ Multi Donor Budgetary Support	- 30.0m
❖ Urban Development Project (Accra, Kumasi)	- 25.0m
❖ Perennial Crops Project	- 17.4m
❖ Rice Sector Development Project	- <u>12.5m</u>
<b><i>TOTAL CONCESSIONAL LOANS</i></b>	<b><i><u>117.9m</u></i></b>

## 5.2 GRANTS

➤ Teaching and Learning of Business French	- 1.0m
➤ Food Security and Agriculture Project	- 1.2m
➤ Forestry and Biodiversity Conservation	- 1.2m
➤ Rice Sector Development.	- <u>1.3m</u>

***TOTAL GRANTS*** ***4.7M***

## 6.0 CONCLUSION

France has, in recent times, supported Ghana in the development of rural and urban infrastructure, modernization of agriculture and provision of water and sanitation facilities.

The quality of France's Support to Ghana is quite outstanding and the quantum of aid package Ghana is receiving is on the increase.

To this end, we wish to express our thanks and appreciation to the Government and People of France for their commitment to supporting efforts being made by Government to reduce poverty and facilitate growth and development.

Thank you.

TO: MINISTER

THRO: DEPUTY MINISTER

CC: CHIEF DIRECTOR

THRO: DIRECTOR, GA

THRO: AG. DIRECTOR, ERM-BILATERAL

FROM: GODWIN K. ANKU

SUBJECT: **SPEAKING NOTES FOR HON. MINISTER ON THE OCCASION  
OF THE SIGNING OF TWO AGREEMENTS WITH FRANCE**

**(i) GHANA URBAN TRANSPORT PROJECT**

**(ii) WATER AND SANITATION PROJECT**

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We forward herewith Speaking Notes in respect of the signing ceremony for the above named Financing Agreements scheduled to take place on Tuesday 4<sup>th</sup> March 2008 at the MOFEP Conference Room at 2:30 pm.

Submitted please.