Parliament approves $500m facility

...To improve rural road infrastructure

By Nana Konadu Agyeman

PARLIAMENT has approved a $500 million credit facility agreement to finance the rural road infrastructure under the Ghana Market Access and Connectivity Project (GMACP).

The facility will be used to improve and sustain all-season farm-to-market road connectivity in selected districts in 13 regions.

This is expected to improve rural transport infrastructure, rehabilitate approximately 1,050 kilometres of feeder roads across four agricultural clusters to enhance access to market.

The agreement, which is between the Government of Ghana and the International Development Association (IDA) of the World Bank, was presented to the House on Thursday, July 16, this year and has been referred to the Finance Committee for consideration.

Investment in rural infrastructure

Moving the motion for the House to approve the facility, the Chairman of the Finance Committee, Isaac Adongo, said the committee identified inadequate transport infrastructure as one major constraint to agricultural development in Ghana.

He said poor feeder roads reduced farmers' access to markets, increased transportation losses and contributed significantly to poor service losses. The government, he said, had, therefore, prioritised investment in rural infrastructure and feeder roads to address those challenges.

He, therefore, recommended to the House to approve the committee's report by consensus and approve the facility to enable the Ministry of Roads and Highways to improve the feeder road network in the country.

@ a glance

Parliament has approved a $500 million credit facility agreement to finance the improvement of feeder roads across the country.

Standing up to World Bank

The Minister of Roads and Highways, Governs Kwame Agbodza, told the House that it would be the first time that a government taking a facility would use 98 per cent of it for "the label we put on the loan".

He informed the House that when he first interacted with the World Bank on the loan, the bank said it would only grant $400 million, with a chunk of it going to be used for consultancy by consultants outside of Ghana.

"I told them Ghana is no longer interested in borrowing money and giving it to citizens of another country to do feasibility on feeder roads in this country.

"The bank said it is not part of their rule and I said thank you very much as Ghana can live without $400 million and I closed the meeting," he said.

Two weeks later, Mr Agbodza said the World Bank agreed to increase the loan to $500 million, which would be used for "exactly what I said".

Based on that consensus, Mr Agbodza said he assured the World Bank that there would be no needless trips by consultants to New York and the use of Land Cruisers by consultants to ensure that 98 per cent of the loan served the purpose for which it was granted.

The Member of Parliament for Adaklu also expressed discontent over how, in the past, 40 per cent of the loans governments borrowed were spent on "other things" instead of improving the road network.

He explained that in spite of Ghana borrowing so many loans over a period of 20 years to construct roads, today most roads remained riddled with potholes.

"So, what were we borrowing the money or taking taxpayers' money for?" he questioned, saying that "this is a combination of the neglect of ourselves (MPs), the engineers and contractors".

He, therefore, urged colleague members of the House to increase their supervision of road works to ensure that contractors "will take this money and carry out the work to the letter".

• Governs Kwame Agbodza — Minister of Roads and Highways