

## Supporting the Improvement Project of Main Trunk Roads - Promoting the Revitalization of Agriculture and Industry and Further Exports -

For more information---  
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OECF (the Overseas Economic Cooperation Fund, Japan: President, Chairman of the Board: Mr. Kyosuke Shinozawa), has signed the loan agreement with the Republic of Ghana on April 13, 1999 as a necessary fund totaling up to 9,651 billionYen for Achimota - Anyinam Road Improvement Project.

The loan agreement was signed at OECF head office in Tokyo by Mr. Kyosuke Shinozawa, OECF's President and H.E. Mr. Togbi Kpokku III, Ambassador Extraordinary and Plenipotentiary of the Republic of Ghana to Japan.

As a result, the cumulative total of ODA loan commitments to Ghana now stands at 1,191 billionYen with 16 projects.

The amount, terms and conditions of the loan and the project description are as follows.

### 1. Amount, Terms and Conditions

Project Name	Amount (Million Yen)	Interest Rate (% ,p.a.)		Repayment Period /Grace Period (years)		Tying Status	
		Goods and Services	Consulting Services	Goods and Services	Consulting Services	Goods and Services	Consulting Services
Achimota - Anyinam Road Improvement Project	9,651	1.8	0.75*	30 / 10	40 / 10	General Untied	Bilateral Tied

\* Special environmental project

### 2. Outline of the Republic of Ghana

Since Ghana adopted its Economic Rehabilitation Plan (ERP) in 1983, it has been implementing economic measures focused on structural adjustment and macro-economic stabilization. As a result, Ghana has been consistently achieving sustained economic growth of around 4% p.a. The country is now working towards realizing sustained economic growth based on support for agriculture and mining and promotion of exports. Infrastructure improvement is essential if these goals are to be attained. The most important infrastructure task is to streamline transport network within the country, which can expand and facilitate the movement of its people and materials. Rehabilitation and improvement of the severely damaged trunk road network (total length approximately 14,900km) is particularly urgent.

Considering Ghana's land area and population, its road network is quite well developed, but it suffers from the following problems, such as (1) a low rate of surface paving, (2) insufficient funding for road rehabilitation, and (3) inefficient institutional management system.

This situation led the government to adopt the "Roads Sector Strategy and Investment Program (1995-2000)" in a bid to improve the country's roads and their administration.

OECF has been providing medium and long-term support for the "Ghana Trade and Investment Gateway Program", which is Ghana's national development plan for moving to an export-promoting economy. OECF sees sustained aid for road development as an important element for this plan, and is therefore implementing this project, following the "Highway Sector Investment Project (Phase II)", which was provided in 1997 (fiscal year). This is the fifth OECF road rehabilitation project in Ghana.

### 3. Project Description

#### Achimota - Anyinam Road Improvement Project

##### (1) Need for the Project

The triangular area of land between Kumasi, Takoradi and Accra, which is known as the Golden Triangle, is the heartland of the Ghanaian economy. It has a high population density and abundant agricultural and mineral resources. The section of road targeted by this project, between Achimota and Anyinam, lies in the south of the trunk road which links the capital, Accra, with the second largest city, Kumasi. As such, it is a highly important section of road. The average daily traffic volume near Achimota is over 6,000 vehicles per day (in 1996) making it one of the most heavily used roads in the country, and the traffic is expected to increase to more than 10,000 vehicles per day by 2004. This project is important, as it will alleviate the severe congestion near Accra, which has been impeding the movement of commuters and agricultural products recently.

##### (2) Description of the Project

Of the approximately 105km of road between Achimota and Anyinam, the most important section is the southern 63.3km between Achimota and Apedwa. This section will be improved by widening, stronger paving, the construction of a new bypass and the replacement of bridge spans. At the same time, the organization of the Ghana Highways Authority (GHA), the executing agency, will be strengthened in functions such as the planning of road development and maintenance and the management of contracts. The remaining road sections (approximately 35km and 10km) will be funded by the African Development Bank (AfDB) and Arab Bank for Economic Development in Africa (BADEA), respectively.

##### (3) Benefits of the Project

The section of road targeted by this project is one of Ghana's main distribution channels. Its improvement is expected to alleviate congestion and reduce transport costs, thereby stimulating agriculture and industry and promoting exports. In addition, the improved road surface will reduce the incidence of traffic accidents, and the construction works will generate employment.

The proceeds of the loan will be used for procurement of necessary equipment and materials, civil works and consulting services (design and bidding assistance, construction management, technical assistance concerning the maintenance of roads, etc.).

The executing agency is the Ghana Highway Authority: GHA (Address: P.O. Box 1641, Accra, Ghana, TEL: 233-21-666591, FAX: 233-21-662051).

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