

# Kumasi-Paga Road Rehabilitation Project



Kumasi-Paga Road

## Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥8,439 million / ¥8,437 million
Loan Agreement	December 1990
Terms and Conditions	Interest rate: 2.5%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	February 1999

## Project Profile

The project was to rehabilitate the main trunk road between Kumasi, Ghana's second city, and the northern border, in order to strengthen the agricultural infrastructure of the northern region. It also combined with an industrial roads rehabilitation project implemented with assistance from a previous Japan ODA loan, to develop a north-south trunk road running from the coast to the border with Burkina Faso. This road project aimed at enhancing distribution in Ghana and contributing to its economic progress.

## Results and Evaluation

The project made an enormous improvement in the condition of the road, with the result that traffic volume on the section covered by the project was mostly well above the plan estimate. Thus the project helped to expand transport volume and enhance distribution. Bolgatanga, a city on the road route, is growing as a hub of trade between the northern and southern regions of the country and with neighboring countries, stimulating economic activity in the region. The increases in transport and distribution volumes are accompanied by a flourishing of small-scale commercial activity among the local residents, and a certain magnitude of economic impact has been observed in communities along the road.

The Ghana Highway Authority, which handles the maintenance of the road, is working on improvement of maintenance methods and institutional reforms, and the condition of the trunk road has been improving in recent years.