

**IN THE FIRST SESSION OF THE FOURTH PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA**

**REPORT OF THE FINANCE COMMITTEE ON THE LOAN
AGREEMENT BETWEEN GOVERNMENT OF GHANA AND
THE EXPORT-IMPORT BANK OF CHINA FOR AN AMOUNT
OF THIRTY MILLION UNITED STATES DOLLARS (US\$30
MILLION) FOR THE DEDICATED SECURITY INFORMATION
SYSTEM PROJECT (PHASE 1)**

1.0 INTRODUCTION

The above loan agreement was laid in the House on Tuesday, 24th July 2007 and referred to the Finance Committee for consideration and report in accordance with Article 181 of the Constitution and the Standing Orders of the House.

To consider the loan agreement, the Committee met with the Deputy Minister for Finance & Economic Planning, Prof. G. Gyan Baffour, the Chief Director for the Ministry of National Security Mr. Harry Augustus Lemuel Imbeah and officials from the two Ministries and reports as follows:

2.0 BACKGROUND

As Honorable Members are aware, the security and emergency services in Ghana need a more secure and reliable communications system for efficient and effective operations. Such a reliable system can be a force multiplier, where less people will be able to operate and perform tasks that ordinarily greater numbers would have been needed.

Currently, the security and emergency service in Ghana have separate independent communication systems that are mostly inefficient, ineffective and expensive to maintain. They are also difficult to operate and obsolete in technology. With the increase in

crime sophistication and the rapidity of the incidence of crime including other related emergencies, it has become necessary that the security and emergency services should also have adequate sophisticated means to make their operations effective.

Again, with the many high profile international conferences and the 2008 General Elections to be held in Ghana, a more reliable, modern and flexible communication system is imperative, at this stage of our development as a Nation.

3.0 SCOPE OF WORKS

The project will be executed in two phases. **Phase One** will involve installation of the equipment in six regions namely; Greater Accra, Volta, Central, Western and Ashanti.

Phase Two will cover the remaining four regions.

4.0 TERMS AND CONDITIONS OF THE LOAN

The terms and conditions of the loan are as follows:

Loan Amount	-	USD 30,000,000.00
Repayment Period	-	15 years
Grace Period	-	5 years
Interest Rate	-	2% (Fixed)
Management Fees	-	0.50%
Commitment Fees	-	0.50%
Grant Element	-	39.52%

4.0 OBSERVATIONS

The Committee was informed that the Project will assist the national security agencies to modernize their communication systems and to make them more efficient in ensuring security and timely delivery of information among national security agencies. It will also ensure rapid response and the ability to deal with emergency matters such as wars, diseases, and rebellion.

The Committee was also informed that the System known as CDMA GOTA (Global Open Trunking Architecture) System consists of 5 main parts namely:

- A Base station subsystem (BSS) with two 2 Base Switching centre (BSC) and 180 Base Transmission stations (BTS);
- A Mobile Switching Subsystem (MSS) comprising of 1 MSC, 2 MGW and 1 HLR;
- A Packet Data Subsystem (PDSS) with 1 PDSN, 1 AAA to provide data transmission rates of 15306k for CDMA 20001x system and 307.2k for the CDMA 20001x Release A system;
- A Dispatching Subsystem (DSS) for GOTA (Global Open Trunking Architecture) operations;
- Value Added Service to be provided by the SMSC.

The Committee was further informed that the project will enhance investor confidence and attract increased foreign direct investment capital for other sectors of the national economy

The Committee noted that as part of its features, the CDMA GOTA System has the capacity to be used as a normal but secured cellular phone and also as a secured two-way push to talk radio, with data facilities. The System will connect all the country's entry points, sensitive border towns, districts, all vital points of the country and a separate secured net for all security and emergency units under the Ministries of Interior, Defense, National Security, Finance, Health etc. and including all agencies connected with the security of the country. All these areas can be served at the same time by this

communication system which also has digital display. The system will be manned by an Agency, to be created under the National Security Ministry and be part of the Office of the President.

The Committee was informed that the CDMA GOTA system has peculiar advantages, some of which are listed below:

- it is flexible because the digital system can be upgraded or modified at any time;
- it is easy to operate and maintain;
- it is much secured for security operations and can locally be coded outside the manufacturer's own specifications;
- it will reduce the overall telephone and other communications bill of the Agencies
- transportation needs and cost will be reduced because the Agencies will use radio for administration unless physical presence is needed;
- the number of personnel needed for most of the operations for support could easily be solicited from others, due to easy communications;
- reaction time to emergencies will improve;
- command and control will be improved to ensure efficiency;
- there will be good co-ordination among the security agencies that will ensure the vital co-operation amongst them;
- security will be felt across the length and breath of Ghana since the system will cover the whole country.

The technical team also informed the Committee that Phase 1 would be completed in seven months after commencement of the works.

The Committee was further informed that for Phase I, 70 BST will be provided out of which 39 BTS will be required for the Greater Accra Region which will slightly extend to Central, Eastern and Volta Regions because of the nature of the Accra/Tema metropolises. Under this project, all Regional, District Capitals and some selected towns will be covered especially the nation's administrative, economic, commercial and conflict prone centre. Also the major border, cities or towns, entry points of the country, main

communications network like roads, railways, ports and water ways will be adequately covered.

The Chief Director for the Ministry of National Security explained to the Committee that the system is scalable and capable of being expanded to the capacity of 100,000 subscribers and more. He further informed the Committee those other emergency services such as hospitals, Ambulance services etc would be on the system to ensure improvement in reaction time to emergencies nationwide.

The Deputy Minister for Finance and Economic Planning informed the Committee that the loan facility has a grant element of **39.52%** which is above the 36% minimum threshold for concessionality and therefore it is concessional.

The Committee observed that the successful implementation of the project will have a positive impact on effective National Security by contributing significantly to Government of Ghana's (GoGs) development agenda which seeks to improve good governance and provide overall socio-economic well-being of the citizenry through modernization of all aspects of the national economy and society using information and communication technologies, assisting the national security agencies, rapid response and ability to deal with emergency matters such as war, diseases and rebellion and enhancing investor confidence and attract increased foreign direct investment capital for other sectors of the national economy.

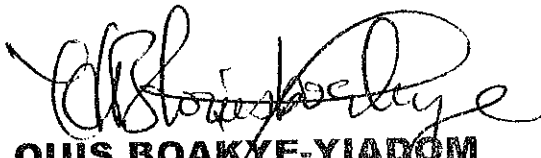
6.0 CONCLUSION

Having satisfied itself with the benefits to be derived from the project and the terms of the loan, the Committee respectfully recommends to the House to approve by Resolution the Loan Agreement between the Government of Ghana (GOG) and the Export-Import Bank of China for an amount of **thirty million United States Dollars (US\$30 million)** for the Dedicated Security Information System Project

(Phase 1) in accordance with Article 181 of the Constitution and Section 7 of the Loans Act, 1970, Act 335.

Respectfully submitted.


HON. NIL ADU DAKU-MANTE
CHAIRMAN, FINANCE COMMITTEE


LOUIS BOAKYE-YIADOM
FOR CLERK, FINANCE COMMITTEE

29TH MAY 2007