

**IN THE THIRD SESSION OF THE FIFTH PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA**

**REPORT OF THE FINANCE COMMITTEE ON THE
CREDIT FACILITY AGREEMENT BETWEEN THE
GOVERNMENT OF THE REPUBLIC OF GHANA AND
THE GOVERNMENT OF BELGIUM THROUGH KBC
BANK NV OF BELGIUM FOR AN AMOUNT OF
€8,435,186.51 FOR THE SUPPLY AND
INSTALLATION OF ELECTRONICS, INFORMATION
AND TECHNOLOGY SYSTEMS IN THE TOWER
BLOCK (JOB 600) OF PARLIAMENT HOUSE**

1.0 INTRODUCTION

The Credit Facility Agreement between the Government of Ghana and the Government of Belgium through KBC Bank NV of Belgium for an amount of eight Million, four hundred and thirty-five thousand, one hundred and eighty-six Euros and fifty-one Cents (€8,435,186.51) for the supply and installation of electronics, information and technology systems in the Tower Block (Job 600) of Parliament House was laid in the House on Wednesday 9th March, 2011 and referred to the Finance Committee for consideration and report.

The Committee met and considered the Agreement with the Minister of Communications, Hon. Haruna Iddrisu, Deputy Minister of Finance and Economic Planning, Hon. Seth Terkper, Clerk to Parliament, Mr. Emmanuel K. Anyimadu and officials from the Ministries of Finance and Economic Planning and Communications as well as Parliament and hereby presents this report to the House pursuant to order 161(1) of the Standing Orders of the House.

2.0 BACKGROUND

The project is conceived to provide the stakeholders within Parliament with modern means of communications, information capture, processing and retrieval, in a secure physical and virtual work environment to expedite the work of Parliament.

The objective of the project is to facilitate and improve the efficiency and effectiveness of stakeholders within Parliament including Leadership, Members and Staff of Parliament in the discharge of the business of Parliament through the use of electronics, information and communications technology.

The systems to be procured from the facility are to be installed to cover the Tower Block in Parliament (popularly known as "Job 600") and would be interconnected with similar systems recently installed in the Chamber and Speaker's Blocks as well as the New 3-storey Parliamentary Office Complex adjacent to the Chamber Block. The project could therefore be seen as the extension of the systems in the three buildings to the Job 600 Block.

3.0 PURPOSE OF THE LOAN

The purpose of the facility is to obtain funds to finance the supply and installation of Electronics, Information and Communication Technology Systems in the Tower Block (Job 600) of Parliament House.

4.0 TERMS OF THE LOAN

The terms of the facility are as follows:

Total Project Cost : €9,935,186.51

Grant Amount : €1,500,000.00

LOAN AMOUNT : €8,435,186.51

Grace Period	:	2.0 years
Repayment Period	:	9.5 years
Maturity Period	:	11.5 years
Interest Rate	:	0.00% p.a.
Liquidity Fee	:	0.30% p.a.
Arrangement Fee	:	0.15% (flat)
Facility Fee	:	0.35% p.a.
Commitment Fee	:	0.25% p.a.
Grant Element	:	36.03%

5.0 OBSERVATIONS

The Committee observed that the project would entail the supply, installation and commissioning of the following:

- Fibre Optic Backbone and Data Cabling
- Public Address System
- Conference and Simultaneous Interpretation System
- Parliamentary Recording System
- Closed Circuit Television (CCTV) System
- Access Control System/Intrusion Detection System
- Metal Detection
- X-Ray Scanners
- Internet Connectivity
- Video Conferencing System

- Video Distributing System
- Telephone System (PABX)

In accordance with article 7 of the Agreement, the interest rate applicable to the credit is the relieved interest rate granted by the Belgian Authorities which is fixed at zero percent (0%) per annum during the whole term of the credit. The Deputy Minister of Finance and Economic Planning, Hon. Seth Terkper explained to the Committee that this is part of measures that the Belgian Government is using to subsidize the loan for the people of Ghana.

As a condition precedent to the coming into force of the credit, a non-refundable Facility Fee of zero point three five percent (0.35%) flat calculated on the amount of the credit (i.e. amounting to €29,523.15) will be paid within thirty (30) days after the signing of the Agreement. Likewise, a non-refundable Arrangement Fee of zero point one five percent (0.15%) flat calculated on the amount of the credit (i.e. amounting to €12,652.78) will be paid within thirty (30) days after the signing of the Agreement.

The project is to be implemented by Messrs Soulco Projects NV of Belgium as part of the conditions of the loan, under the supervision of Parliament and the Ministry of Water Resources, Works and Housing with technical assistance/advice from the National Information Technology Authority (NITA).

Some Members expressed concern about the current electronic and ICT system being operated in the House. They were particularly not happy about the intermittent interruptions/seizures/freezes and other problems that characterize the system especially during proceedings in the Chamber. The technical officers from Parliament assured the Committee that the administration has acquired a new equipment that would ensure stable power supply to the Chamber even when the national grid or in-house

generator falters and therefore the above problem would soon be a thing of the past.

The Clerk to Parliament, Mr. Emmanuel K. Anyimadu informed the Committee that Leadership and all Members of Parliament would be provided with offices in the Job 600 Block once that block is completed. He explained that Leadership was being housed in the new administration block because the Tower Block was not completed.

The Committee's scrutiny revealed that Parliament indeed has in its possession, an e-voting equipment which has not been activated. The Committee urges Leadership of the House to ensure swift activation of the equipment to help remove some of the difficulties that Parliament encounters during voting on the floor of the House.

As to when the on-going renovation of the Tower Block (Job 600) would be completed, the Committee was informed that the project is scheduled to be completed by 31st December, 2011 and that even in the worst case scenario, it would be completed before 31st march, 2012. It is therefore expected that Members of the current Parliament would be able to use the Block for some time before the dissolution of the House on 6th January, 2013. The electronic and ICT project is to be implemented along-side the Renovation Project, so that by the time the renovation is completed, the equipment would have also been installed.

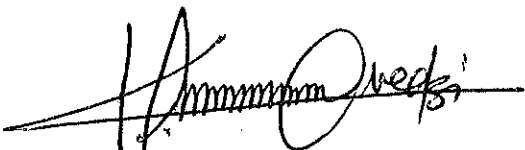
The Committee reiterated Cabinet's advise that in future, all ICT projects for which finance is being proposed must go through the National Information Technology Authority (NITA) and the Ministry of Communications.

6.0 CONCLUSION

The Committee has critically examined the Agreement and taken note of the immense benefits to be derived by Parliament from the implementation of the project towards enhancing the development of democracy in Ghana. The Grant Amount of €1,500,000.00 being provided by the Government of Belgium was also noted.

The Committee therefore recommends to the House to adopt this report and approve by resolution, the **Credit Agreement** between the **Government of Ghana** and the **Government of Belgium through KBC Bank NV of Belgium** for an amount of *eight million, four hundred and thirty-five thousand, one hundred and eighty-six Euros and fifty-one Cents* (€8,435,186.51) for the **supply and installation of electronics, information and technology systems in the Tower Block (Job 600) of Parliament House** in accordance with article 181 of the 1992 Constitution and sections 3 and 7 of the Loans Act, 1970 (Act 335).

Respectfully submitted.



HON. JAMES KLUTSE AVEDZI

CHAIRMAN



PEACE A. FIAWOYIFE (MS.)

CLERK

17TH MARCH, 2011