

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

**REPORT OF THE  
COMMITTEE ON COMMUNICATIONS**

*ON THE*

**FRAMEWORK AGREEMENT AND THE  
FIRST AMENDMENT TO THE FRAMEWORK  
AGREEMENT DATED 26<sup>TH</sup> AUGUST 2015  
BETWEEN THE GOVERNMENT OF THE  
REPUBLIC OF GHANA AND THE  
GOVERNMENT OF THE REPUBLIC OF  
MAURITIUS FOR THE DEVELOPMENT OF  
TECHNOLOGY AND BUSINESS PARKS  
IN GHANA**



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THE FRAMEWORK AGREEMENT DATED 26<sup>TH</sup> AUGUST, 2015  
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**1.0 INTRODUCTION**

- 1.1 The Framework Agreement between the Government of the Republic of Ghana and the Government of the Republic of Mauritius for the Development of Technology and Business Parks and the First Amendment to the Framework Agreement dated 26<sup>th</sup> August, 2015 between the Republic of Ghana and the Republic of Mauritius for the Development of Technology and Business Parks were laid in Parliament by the Hon. Minister for Communications, Mrs Ursula Owusu-Ekuful on Tuesday, 31<sup>st</sup> October, 2017, pursuant to Article 181(5) of the 1992 Constitution.

In accordance with Article 103(3) of the 1992 Constitution and Order 182 of the Standing Orders of the House, the Agreements were referred to the Committee on Communications for consideration and report.

- 1.2 The First Amendment to the Framework Agreement was re-presented to Parliament on Wednesday, 13<sup>th</sup> December 2017 after withdrawal of the earlier version laid in Parliament on Tuesday 31<sup>st</sup> October 2017. The Hon. First Deputy Speaker subsequently referred the Amendment to the Committee on Communications for consideration and report.

**2.0 DELIBERATIONS**

Following the referral, the Committee met with the Hon. Minister for Communications, her two deputies and other officials from the Ministry on Thursday, 14<sup>th</sup> December, 2017 and considered the referrals.

The Committee is grateful to the Hon. Minister and her team for attending upon the Committee to assist in its deliberations.



### 3.0 REFERENCE DOCUMENTS

The Committee was guided by the following documents during its deliberations:

- i. The 1992 Constitution of the Republic of Ghana.
- ii. The Standing Orders of Parliament.
- iii. The Free Zones Act 1995, (Act 504).

### 4.0 BACKGROUND

- 4.1 As part of the Ministry' objective of creating an enabling environment for innovation and wealth creation through the ICT industry, a Technology Park concept was adopted in April 2003. The World Bank, approved funding in 2006 for the feasibility study and development of a business/marketing plan and investment strategy for the ICT Park to enhance the productivity and commercial viability of the Micro, Small and Medium Enterprises (MSME) sector, in furtherance of the country's economic development and employment creation.
- 4.2 In September 2007, the Ghana Free Zones Board (GFZB) offered 51.3 acres for the project at the Tema Multi-Purpose Industrial Park (MPIP). Due to delay in release of the World Bank funding coupled with difficulties in securing financing for the cost of the land the GFZB, after discussions with the Ministry of Communications (MOC), agreed to release 50 acres of land within the Tema Export Processing Zone for the development of the ICT Park.
- 4.3 The World Bank provided the initial funding for the construction of start-up infrastructure at the Tema site, including the construction of a main building complex, underground water tanks and water supply system, storm/surface water drainage, access roads, footpaths and cycle tracks , installation of power/electric and telecommunications ducts, street lights and landscaping works. The Park was to be established as a Public Private Partnership (PPP) with private sector led management enabled by Government support.
- 4.4 On the 26<sup>th</sup> August, 2015, the Government of Ghana signed a framework agreement with the Government of Mauritius to develop the Technology

and Business Park in Tema. An inter-sectoral working committee with representation from the Ministries of Communications; Trade and Industry; Lands and Natural Resources; Energy; Water Resources Works and Housing; Justice and Attorney-General's Department; GIPC and NITA was constituted to facilitate the smooth implementation of the project. After inspecting the Tema Site, the Mauritians decided it was unsuitable for the purposes largely due to industrial pollution. The MOC therefore secured an alternative site at Dawa which the Mauritians found acceptable for the project.

4.5 On 10<sup>th</sup> March, 2017, the first meeting of the Ghana-Mauritius Permanent Joint Commission for Cooperation held in Mauritius underscored the commitment of the two countries to implement the Framework Agreement for the establishment of a Special Economic Zone (SEZ) in Dawa, Greater Accra Region.

#### 5.0 **TERMS OF THE FRAMEWORK AGREEMENT BETWEEN THE REPUBLIC OF MAURITIUS AND THE REPUBLIC OF GHANA**

The Framework Agreement has, as part of its terms, the following:

- i The establishment of a Special Purpose Vehicle (SPV) to develop, implement and manage Technology and Business Parks in Ghana. The SPV which is to be known as the Tema Technology Park Ltd, shall be incorporated as a limited liability company under the Companies Act, 1963 (Act 179) of Ghana.
- ii. The agreement further provides that:
  - a. Tema Technology Park Ltd shall be the Master Developer of the Project.
  - b. Tema Technology Park shall:
    - Develop a Master Plan to set up such structure so as to facilitate the sub-letting of the leased lands;
    - Develop appropriate marketing strategy to attract investments from international companies;



- Implement measures for the setting up of fast track procedures and rapid implementation of projects within the Technology and Business Parks;
- Maintain and manage all onsite infrastructure; and
- Perform such other activities consistent with the above objects.

5.3 The terms of the Agreement also enjoins Ghana and Mauritius and any of their agencies to enter into a shareholders agreement to govern their relationship as shareholders of the SPV. The details of the shareholding structure are provided below:

- i. Year 1 to year 20 of the project: (inclusive of the built phase) 60%:40% in favour of the Government of the Republic of Mauritius and the Republic of Ghana respectively.
- ii. Year 21 to year 30 of the project: 50%:50%.
- iii. Year 31 to year 50 of the project: 25%:75% in favour of the Government of the Republic of Mauritius and the Republic of Ghana respectively.
- iv. After 50 years of the project: 100% in favour of Government of Ghana.

5.4 Ghana's contribution of 40% to the project shall comprise the provision of leased lands and essential infrastructure (roads, electricity, water etc) to the SPV.

Per the Framework Agreement, 'leased lands' referred to: an approximated extent of 6.1 hectares of land identified for the Tema Technology Park, which have direct access to the coming N1 Accra-Aflao Motorway. It also referred to an approximate extent of 37 hectares of additional land identified for the Technology and Business Parks and leased by the Government of Ghana to the SPV.

## 6.0 **HIGHLIGHTS OF THE FIRST AMENDMENT TO THE FRAMEWORK AGREEMENT**

- 6.1 The First Amendment to the Frame Work Agreement amended the name of the Special Purpose Vehicle as provided under Paragraph 2 of the Preamble, from 'Tema Technology Park' to 'Ghana Smart City'.
- 6.2 Paragraph 3 of the Preamble also relocated the proposed site of the project from Tema, to Dawa Locality, off the N1 Accra-Aflao Motorway in the Greater Accra Region.
- 6.3 Paragraph 3 of the Preamble of the First Amendment to the Framework Agreement modifies the size of the leased lands from 6.1 hectares to an approximate extent of 20 hectares for the development of phase I of the project. Paragraph 4 of the Preamble of same provides for the leasing of additional plots of land of an approximate aggregate extent of not less 40 hectares to the SPV to develop the other phases of the Ghana Smart City.
- 6.4 The First Amendment to the Framework Agreement also amends Paragraph 6.5 of Article 6 of the Framework Agreement to make the lease deeds of the site renewable after 50 years.

## 7.0 **OBSERVATIONS AND RECOMMENDATIONS**

### 7.1 Scope of the Project

The Committee observed that the Ghana Smart City comprises a 3-star hotel, a cyber-tower, an innovation tower, an apartment block, a multi-use facility and a conference centre.

### 7.2 Benefits of the Project

The Committee notes that the project which will be established as Public Private Partnership (PPP) between the Republic of Ghana and the Republic of Mauritius will facilitate the transfer of technology from the latter to the former through Research & Development (R&D) activities. These activities will foster greater interaction among industry, academia, educational and training institutions and the business and finance sectors.



The project will assist a great deal in building the capacity of export-oriented and small and medium scale ICT businesses and position them to maximise their potential for growth, job creation and revenue generation.

Finally, the project will nurture the development of highly skilled ICT manpower and drive innovation in the economy through scientific research and commercialisation of technology.

### 7.3 Obligation of Parties

Government of Ghana is required to provide among others the initial land for phase 1 of the project and lease additional plots to the SPV for the development of subsequent phases of the project. Ghana is to provide all such infrastructure required by the SPV during the operation phase (including all offsite services and access to the sites, power, water supply and telecommunications facilities).

On the other hand, the Government of Mauritius is responsible for designing and preparing the Master plan of the project in consultation with the Government of Ghana, for the implementation of the project. The Government of Mauritius is also required to invest an amount of \$75million in the project and ensure that funds are available for the project at all times.

The Committee entreats Government to urge the Government of Mauritius to honour its commitments in the amount of \$75 million for the successful execution of the Project.

### 7.4 Shareholding Structure

The Committee noted that when Ghana was to lease land of an approximate extent of 6.1 hectares for phase 1 of the project and in furtherance of the MOU, lease additional plots of land of an approximate aggregate extent of 37 hectares for subsequent phases of the project, the shareholding structure was as follows:

- i. Year 1 to year 20 of the project: (inclusive of the built phase) 60%:40% in favour of the Government of the Republic of Mauritius and the Republic of Ghana respectively.
- ii. Year 21 to year 30 of the project: 50%:50%.



- iii. Year 31 to year 50 of the project: 25%:75% in favour of the Government of the Republic of Mauritius and the Republic of Ghana respectively.
- iv. After 50 years of the project: 100% in favour of Government of Ghana.

The Committee however observed that even though the First Amendment to the Framework Agreement proposes to revise the size of the land to be leased from 6.1 hectares to 20 hectares for the first phase of the project and also increase the plots of land to be leased for the subsequent phases of the project from an approximate aggregate extent of 37 hectares to an approximate aggregate extent of not less than 40 hectares to the SPV, the shareholding structure remained the same.

The Committee noted that the only difference is that while the Framework Agreement provides for a Lease Deed of a term of 50 years, the First Amendment to the Framework indicates that the Lease Deeds for the sites shall be for a period of 50 years, renewable for a further term.

The Committee was of the view that since the size of the land, which is a significant portion of Ghana's contribution had increased, Ghana should have negotiated for increased shares in the project.

#### 7.5 The Choice of Mauritius

The Committee was informed that Mauritius is one of the leading countries in the usage of Information Communication Technology (ICT) and Information Technology (IT) Enabled Services and Business Processing Outsourcing in and outside Africa. Mauritius has the experience and expertise and are keen on working with Ghana in this area. It is worth noting that Mauritius has built a similar Technology Park in Senegal.

#### 7.6 Compensation to Land Owners

The Committee expressed the need for the rightful owners of lands to be used as equity in this project, to be identified and appropriately compensated. This concern was borne out of the fact that Ghana has had a history where owners of lands that have been compulsorily

acquired were either not compensated or had to wait for years after the acquisition to receive compensation.

The Committee was assured that the Ministries of Communications and Finance are taking appropriate steps to ensure that the rightful owners of the land are identified and paid compensation in reasonable time.

#### 7.7 Local Content

The Committee observed that often times, persons living in localities, where projects and businesses are set up are not availed the benefits of training prospects in the relevant skills in order to take full advantage of jobs.

The Committee strongly recommends the need for the project to provide the opportunity for people living in the project locality to be offered the opportunity to acquire the relevant employable skills in businesses and companies to be set up in the locality. The Committee was assured that local content component was factored into the project with the view to creating jobs and that all necessary steps will be taken to pursue this agenda.

#### 8.0 **CONCLUSION**

The Committee notes with satisfaction that the Project, when completed, will provide the enabling environment for the country to attract investments into the ICT sector. This will stimulate research and development activities for the industry, create job opportunities, and improve revenue generation. The project thus stands to position Ghana as an ICT services hub within the sub-region.

The Committee, having carefully considered the Framework Agreement between the Government of the Republic of Ghana and the Government of the Republic of Mauritius for the Development of Technology Parks in Ghana, in the light of the First Amendment to the Framework Agreement between the Government of the Republic of Ghana and the Government of the Republic of Mauritius for the Development of Technology Parks in Ghana, has found the terms of both Agreements satisfactory. The Committee therefore recommends that the House adopts its Report and

ratify the Agreements in accordance with article 181(5) of the Constitution.

Respectfully submitted



**KEN OHENE AGYAPONG (HON)  
(CHAIRMAN, COMMITTEE ON  
COMMUNICATIONS)**



**JANET FRIMPONG  
(CLERK TO THE COMMITTEE)**

*December 2017*



