

**IN THE THIRD MEETING OF THE SECOND SESSION OF THE SEVENTH
PARLIAMENT OF THE FOURTH REPUBLIC OF GHANA**

**REPORT OF THE FINANCE COMMITTEE ON THE REQUEST FOR THE
WAIVER OF IMPORT DUTIES, IMPORT VAT, IMPORT NHIL, ECOWAS
LEVY, EXIM LEVY, SPECIAL IMPORT LEVY, AMOUNTING TO THE
GHANAIAN CEDI EQUIVALENT OF TWO MILLION, TWENTY EIGHT
THOUSAND, EIGHT HUNDRED AND SIXTY THREE EUROS (€2,028,863.00)
ON GOODS TO BE PROCURED IN RESPECT OF THE ENHANCEMENT OF
ROAD SAFETY (PHASE II) - TURNKEY IMPLEMENTATION OF
PHOTOVOLTAIC-BASED (SOLAR) STREET LIGHTING PROGRAMME IN
SELECTED COMMUNITIES**

1.0 INTRODUCTION

The request for the waiver of Import Duties, Import VAT, Import NHIL, ECOWAS Levy, EXIM Levy, Special Import Levy, amounting to the Ghana Cedi equivalent of Two Million, Twenty Eight Thousand, Eight Hundred and Sixty Three Euros (€2,028,863.00) on goods to be procured in respect of the Enhancement of Road Safety (Phase II) - Turnkey Implementation of the Photovoltaic-Based Street Lighting Programme in Selected Communities was laid in the House on Tuesday, 13th November, 2018 in accordance with Article 174(2) of the Constitution, and referred to the Finance Committee for consideration and report pursuant to the Standing Orders of the House.

The Committee met with two Deputy Ministers for Finance Hon. Kwaku Kwarteng and Hon. Abena Osei-Asare and technical teams from the Ministries of Finance and Education to consider the request.

1.1 Reference documents

The Committee referred to the following documents in its deliberations:

- The 1992 Constitution of Ghana;
- The Public Financial Management Act, 2016 (Act 921);
- The Standing Orders of the Parliament of Ghana;
- The Loan Agreement between the Government of Ghana and Unicredit Bank of Austria amounting to €7,500,000 for the Enhancement of Road Safety (Phase II) - Turnkey Implementation of Photovoltaic-Based (Solar) Street Lighting Programme in Selected Communities across the country;
- The Tax Assessment by the Ghana Revenue Authority.

2.0 BACKGROUND

Successive Governments have, through the National Road Safety Commission (NRSC) always pursued various road safety programmes and campaigns aimed at addressing the numerous and unacceptably high level of accidents that frequently occur on our country's roads. Road Traffic accidents are increasingly becoming a developmental and public health issue in the country. These accidents have also been a matter of great concern to government especially when lives and human capital have unfortunately been lost in the process.

The NRSC in collaboration with key stakeholders including the Ministries of Transport and Roads and Highways, together with their Agencies, the Driver and Vehicle Licensing Authority (DVLA) and the Motor Traffic and Transport Department (MTTD) of the Ghana Police Service are always doing what they can within their mandates to address the issue of road safety in the country. While some road safety strategies have made significant impact in curbing the spate of car accidents on our roads, it is very evident that a lot still remains to be done.

It is worth noting that between January and August 2017, a total of 8,081 cases of road traffic accidents were reported involving 12,718 vehicles. These accidents

resulted in 1,382 deaths and 7,761 injuries. The cost of road accidents in Ghana is estimated at 1.67% of annual GDP. It is also reported that road traffic accidents account for far more deaths in Ghana than violent crimes including robbery. These accidents and deaths affect productivity, damage property; increase medical bills and in some cases result in permanent disabilities leading to an increase in the dependency burden and ultimate poverty.

Statistics reveal that about 80% of the night-time car fatalities in Ghana have occurred on sections of our roads which are without any street lights and has therefore caused poor visibility to many road users. It is sad to note that street lights are non-existent on a number of our road networks especially those linking the regional capitals and those in urban areas. This situation has contributed a lot to road accidents resulting in pedestrian fatalities.

The implementation of the Photovoltaic-based (solar) street lighting programme in selected communities in the country has therefore been designed to address road safety issues, relating to areas designated as black spots and prone to accidents mainly due to the poor visibility in such places. The programme is therefore aimed at implementing practical and cost-effective measures which would influence and enhance visibility and in the process vehicle/pedestrian conspicuity in the night especially on sections of the roads where lack of street lights is believed to be the predominant contributory factor to accidents.

In order to implement this programme, Government of Ghana has entered into an agreement with Unicredit Bank of Austria for a concessional loan amounting to €7,500,000. This agreement has already been approved by Parliament.

Clause 9 of the commercial agreement exempts the contract from the payment of taxes, duties and levies imposed in the country. In order to successfully implement this programme, there is the need to waive off taxes and duties applicable to the programme.

It is in this regard that the request for tax and duties waiver on materials and equipment relating to the photovoltaic programme has been made to Parliament in accordance with article 174 of the 1992 Constitution of Ghana

3.0 THE REQUEST

The request is for the waiver of Import Duties, Import VAT, Import NHIL, ECOWAS Levy, EXIM Levy, Special Import Levy, amounting to the Ghana Cedi equivalent of Two Million, Twenty-Eight Thousand, Eight Hundred and Sixty Three Euros (€2,028,863.00).

3.1 Assessment of Duties, Taxes and Levies

A breakdown of the tax assessment as undertaken by the Ghana Revenue Authority is provided in Table 1 below:

Table 1 Assessment of Taxes and Duties

	Tax/ Duty/ Levy	Estimated Amount (€)
1	Import Duty	877,222
2	Import VAT	894,389
3	Import NHIL	149,065
4	ECOWAS Levy	25,427
5	EXIM	38,140
6	SIL	44,620
	Total	2,028,863

Attached as APPENDIX is the details of tax assessment for the photovoltaic programme.

4.0 OBSERVATIONS

4.1 Rationale for the Programme

The Committee was informed that the programme would help improve the lighting of accident-prone locations (Black Spots) and areas with a history of

accidents by installing street lights in such places notably in communities along trunk roads, major junctions and approaches to bridges.

4.2 Number of selected Communities

The Committee learnt that under the project, One Hundred and Fifty-four (154) communities in seven (7) regions have been earmarked for the installation of the street lights under Phase II. The installation of the streetlights would be done on trunk roads, major junctions and approaches to bridges in these communities.

The selection of the communities was done based on poor night visibility in these areas which has been the main cause of accidents. The number of communities selected per region is shown in table 2 below:

Table 2 Number of Selected Communities

No.	Region	Number of selected locations
1	Ashanti	54
2	Eastern	63
3	Brong Ahafo	32
4	Volta	1
5	Upper East	1
6	Northern	1
7	Central	2
	Total	154

4.3 Scope of the Project

The Committee was informed that the scope of works to be executed include:

- (1) Engineering, design, supply and installation of solar panels and batteries, poles, lighting equipment including cabling and construction of foundation for poles;
- (2) Supply and installation of traffic signs;
- (3) Supply of spares and maintenance tools;
- (4) Road Safety Awareness program for communities and schools;

- (5) Training on maintenance of street lights; and
- (6) Supply of maintenance vehicles and equipment.

4.4 Benefits of the Project

The Committee observed that motorists and pedestrians alike stand to benefit tremendously when the project is completed. When completed, it will promote safety for all users of the highways with special consideration for all vulnerable user groups, including pedestrians, cyclists, the elderly or people with disabilities and children. It would also improve visibility within the respective areas and thereby reduce accidents and road fatalities.

4.5 Procuring Project Items Locally

The Committee observed that the list of project items submitted to Parliament for waivers usually contain items that could be procured locally. The Committee was of the view that these items if procured locally could go a long way to support local industries.

The Committee therefore urges the Ministry of Finance to engage the various contractors to encourage them to procure locally made items that are contained in the list of items on which waivers are sought.

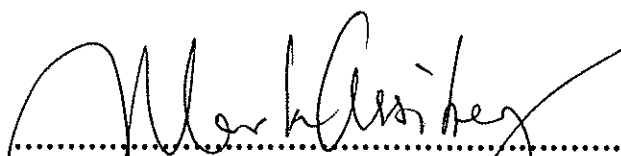
5.0 CONCLUSION

Considering the benefits to be derived from the project, the Committee is of the view that the request is in the right direction.

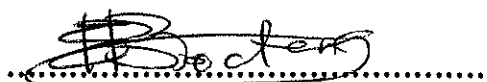
The Committee therefore recommends to the House to adopt its report and to approve the request for the waiver of Import Duties, Import VAT, Import NHIL, ECOWAS Levy, EXIM Levy, Special Import Levy, amounting to the Ghana Cedi equivalent of Two Million, Twenty-Eight Thousand, Eight Hundred and Sixty Three Euros (€2,028,863.00) on Goods to be Procured in respect of the Enhancement of Road Safety (Phase II) - Turnkey Implementation of the Photovoltaic-Based Street Lighting Programme in Selected Communities in

accordance with Article 174(2) of the Constitution, the Public Financial Management Act, 2016 (Act 921) and the Standing Orders of Parliament.

Respectfully submitted.



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HON. MARK ASSIBEY-YEBOAH (DR)
CHAIRMAN, FINANCE COMMITTEE



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EVELYN BREFO-BOATENG
CLERK TO THE COMMITTEE

TAX ASSESSMENT FOR ENHANCEMENT OF ROAD SAFETY-PHASE II

TURNKEY IMPLEMENTATION OF PHOTOVOLTAIC BASED STREET LIGHTING PROGRAMME

Description of Goods	Qty (pcs)	CIF (EURO)	I/D Rate	Import Duty	Import VAT	Import NIHL	Ecowas Levy	EXIM	Insp Fee	W/Tax	S.I.L	TOTAL (EURO)
1 SOLAR PANEL WITH MOUNT	1210	653,400	5%	32670	102911	17152	3267	4901	6534	6534	0	173,968
2 LIGHT POLE WITH MOUNTING SCREWS	1210	686,070	20%	137214	123493	20582	3430	5146	6861	6861	13721	317,307
3 LIGHT POLE BRACKET SINGLE	1210	544,500	20%	108900	98010	16335	2723	4084	5445	5445	10890	251,831
4 LED LAMP	1240	620,000	20%	124000	111600	18600	3100	4650	6200	6200	12400	286,750
5 SOLAR ELECTRONIC BOX	1240	1,091,200	20%	218240	196416	32736	5456	8184	10912	10912	0	482,856
6 BATTERY	1205	1,024,250	20%	204850	184365	30728	5121	7682	10243	10243	0	453,231
7 IRON REINFORCEMENT	1200	109,200	20%	21840	19656	3276	546	819	1092	1092	2184	50,505
8 TRAFFIC SIGNS	150	85,500	10%	8550	14108	2351	428	641	855	855	0	27,788
9 TRUCK WITH LIFTING PLATFORM	1	198,750	5%	9938	31303	5217	994	1491	1988	1988	3975	56,892
10 TOOL SET	4	34,800	10%	3480	5742	957	174	261	348	348	696	12,006
11 SAFETY CLOTHING	1	37,700	20%	7540	6786	1131	189	283	377	377	754	17,436
TOTAL		5,085,370		877222	894389	149065	25427	38140	50854	50854	44620	2,130,570

CERTIFICATE

TOTAL TAX LIABILITY=2,130,570EUROS

This is to certify that the assessment given is true and correct.

Signature:

Importer/Agent's Name & Designation:


For Official Use

Assessment rechecked and found correct and complete.

.....10-05-2017

Date

GUYANA REVENUE AUTHORITY
GUAYANA REVENUE AUTHORITY
(CUSTOMS DIVISION)
F. O. BOX 3, ACCRA

Signature: 
 Officer's Name & Rank:- GIDEON GLEY
 (REV. OFFICER)