

IN THE THIRD SESSION OF THE SEVENTH PARLIAMENT OF THE FOURTH REPUBLIC OF
GHANA

**REPORT OF THE FINANCE COMMITTEE ON THE REQUEST FOR WAIVER
OF IMPORT DUTIES, IMPORT VAT, GETFUND LEVY, IMPORT NHIL,
ECOWAS LEVY, AU LEVY AND OTHER IMPOSTS AMOUNTING TO THE
GHANA CEDI EQUIVALENT OF FORTY-EIGHT THOUSAND, FOUR
HUNDRED UNITED STATES DOLLARS (US\$48,400.00) ON MATERIALS
AND EQUIPMENT TO BE PROCURED TO IMPLEMENT THE WATER SUPPLY
PROJECT AT AHWEREASE AND AHODWO IN THE NSAWAM-ADOAGYIRI
MUNICIPALITY OF GHANA UNDER THE PROJECT COOPERATION
AGREEMENT BETWEEN THE REPUBLIC OF GHANA (REPRESENTED BY
THE MINISTRY OF SANITATION AND WATER RESOURCES) AND THE
GOVERNMENT OF THE REPUBLIC OF KOREA (REPRESENTED BY THE
MINISTRY OF ENVIRONMENT OF KOREA) FOR A GRANT AMOUNT OF
THREE HUNDRED MILLION KOREAN WON (EQUIVALENT TO
US\$250,000.00)**

1.0 INTRODUCTION

The request for waiver of Import Duties, Import VAT, GETFund Levy, Import NHIL, ECOWAS Levy, AU Levy and other imposts amounting to the Ghana Cedi equivalent of Forty-Eight Thousand, Four Hundred United States Dollars (US\$48,400.00) on materials and equipment to be procured to implement the Water Supply Project at Ahwerease and Ahodwo in the Nsawam-Adoagyiri Municipality of Ghana under the Project Cooperation Agreement between the

Republic of Ghana (represented by the Ministry of Sanitation and Water Resources) and the Government of the Republic of Korea (represented by the Ministry of Environment of Korea) for a Grant amount of Three Hundred Million Korean Won (equivalent to US\$250,000.00) was presented to the House on 2nd December, 2019 by the Hon. Deputy Minister for Finance, Mrs. Abena Osei Asare on behalf of the Minister for Finance.

Rt. Hon. Speaker referred the request to the Finance Committee for consideration and report.

The Committee met with a Deputy Minister for Finance, Hon. Kwaku Kwarteng, a Deputy Minister for Sanitation and Water Resources, Hon Patrick Boamah and officials from the Ministry of Finance, the Ministry of Sanitation and Water Resources and the Ghana Revenue Authority and considered the request.

2.0 DOCUMENTS REFERRED TO

The Committee referred to the following documents during its deliberations:

- The 1992 Constitution of Ghana;
- The Public Financial Management Act, 2016 (Act 921); and
- The Standing Orders of the Parliament of Ghana.

3.0 BACKGROUND

Currently, the Eastern Region has the least coverage in terms of rural water supply in Ghana, with a coverage of 56.88%. This means that 43.12% of the rural population is not served with potable water. Specifically, the Nsawam-Adoagyiri Municipality has a population of about 15,661 with about 33.5% of its rural population not having access to potable water.

As part of efforts by Government to ensure access to portable water, the Republic of South Korea, under a Project Co-operation Agreement between the Ministry of Environment, South Korea and the Ministry of Sanitation and Water Resources, Ghana, is supporting the Government of Ghana with a water supply project at

Ahwerease and Ahodwo in the Nsawam-Adoagyiri Municipality of the Eastern Region.

The project which covers a period of twelve (12) months, is being implemented by the Ministry of Sanitation & Water Resources through the Community Water and Sanitation Agency in collaboration with the Korea Environment Industry Association.

The project objectives are aligned to Ghana's Development Strategy and Goal 6 of the Sustainable Development Goals (SDGs) which targets to achieve universal and equitable access to safe and affordable drinking water for all by 2030.

Under Item 2(d) of Article 6 and Item 3(b) of Article 7 of the Project Cooperation Agreement, the Government of Ghana commits to facilitate the process of granting tax exemption on the importation of equipment for implementation of the project.

In accordance with Article 174 (2) of the 1992 Constitution and to ensure the smooth implementation of the project, the request for the waiver of tax and duty liabilities in respect of the equipment and materials to be imported has been presented to the House for approval.

4.0 THE REQUEST

The request before Parliament is for the waiver of Import Duties, Import VAT, NHIL /GETFund Levy, EXIM Levy, ECOWAS Levy, AU Levy, and other imposts amounting to the Ghana Cedi equivalent of Forty-Eight Thousand and Four Hundred United States Dollars (US\$48,400).

4.1 Assessment of Duties, Taxes and Levies

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

Table 1: Breakdown of Tax Assessment by GRA

	Item	Amount (US\$)
1	IMPORT DUTY	14,000.00
2	IMPORT VAT	21,525.00
3	NHIL /GETFUND LEVY	8,200.00
4	EXIM LEVY	1,125.00
5	AU LEVY	300.00
6	ECOWAS LEVY	750.00
7	SIL	1,000.00
8	INSPECTION FEES	1,500.00
	TOTAL	48,400.00

Attached as an APPENDIX is the details of the tax assessment.

5.0 OBSERVATIONS

5.1 Project Description

The Committee was informed that under the project, two communities will be provided with two (2) Mechanized boreholes each with limited distribution network. The mechanized boreholes would be powered by solar energy. Water treatment facilities will also be installed in each community to treat the water.

5.2 Benefits of the Project

The Committee observed that when complete, the project will help

- Expand the water coverage in the two communities,
- Eliminate the use of unsafe water, and
- Reduce the incidence of waterborne diseases such as cholera, diarrhea and many others.

5.3 Total Cost of the Project

The Committee was informed that the total cost of the project is US\$250,000. The project is being funded with a grant of 300,000,000.00 Korean Won (Three Hundred Million Korean Won), which is equivalent to Two Hundred and Fifty Thousand United States Dollars (US\$ 250,000.00).

6.0 CONCLUSION

After considering the benefits to be derived from the project, the Committee is of the view that the waiver of taxes and duties will go a long way to ensure access to potable water.

The Committee therefore recommends to the House to adopt its report and to approve the request for waiver of Import Duties, Import VAT, GETFund Levy, Import NHIL, ECOWAS Levy, AU Levy and other imposts amounting to the Ghana Cedi equivalent of Forty-Eight Thousand, Four Hundred United States Dollars (US\$48,400.00) on materials and equipment to be procured to implement the Water Supply Project at Ahwerease and Ahodwo in the Nsawam-Adoagyiri Municipality of Ghana under the Project Cooperation Agreement between the Republic of Ghana (represented by the Ministry of Sanitation and Water Resources) and the Government of the Republic of Korea (represented by the Ministry of Environment of Korea) for a Grant amount of Three Hundred Million Korean Won (equivalent to US\$250,000.00) 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,



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



**EVELYN BREFO-BOATENG (MS)
CLERK TO THE COMMITTEE**

16th December, 2019

TAX ASSESSMENT

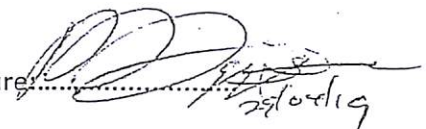
IMPORTER: MIN OF SANITATION & WATER RESOURCES/WATER SUPPLY PROJECT AT AHWEREASE & AHODWO

Description of Items	Qty	CIF (USD)	I/D Rate	Imp. Duty	Nhil/Gfund 5%	Imp. VAT 12.5%	Eco. Levy 0.5%	EXIM Levy 0.75%	AU Levy 0.2%	Insp. Fee 1%	SIL 0%/2%	TOTAL (USD)
For Ahwerease Village												
Steel Case		20,000	20%	4000	1200	3150	100	150	40	200	400	9240
Cassette 1, Multi Media Filter		20,000	5%	1000	1050	2756	100	150	40	200	0	5296
Cassette 2, Activated Carbon Filter		20,000	5%	1000	1050	2756	100	150	40	200	0	5296
Cassette 3, Bag Filter		10,000	5%	500	525	1378	50	75	20	100	0	2648
Tools And Pipe		5,000	10%	500	275	722	25	38	10	50	100	1719
For Ahodwo Village												
Steel Case		20,000	20%	4000	1200	3150	100	150	40	200	400	9240
Cassette 1, Multi Media Filter		20,000	5%	1000	1050	2756	100	150	40	200	0	5296
Cassette 2, Activated Carbon Filter		20,000	5%	1000	1050	2756	100	150	40	200	0	5296
Cassette 3, Bag Filter		10,000	5%	500	525	1378	50	75	20	100	0	2648
Tools And Pipe		5,000	10%	500	275	722	25	38	10	50	100	1719
TOTAL		150,000		14000	8200	21525	750	1125	300	1500	1000	48,400

CERTIFICATE

TOTAL TAX LIABILITY=48,400 U. S. DOLLARS

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.

Signature: 

.....08-04-2019.....

Officer's Name & Rank:-

GIDEON GLEY
(REV. OFFICER)

Date

