

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

REPORT OF THE FINANCE COMMITTEE ON THE REQUEST FOR THE  
WAIVER OF IMPORT DUTIES, IMPORT VAT, NHIL, GETFUND LEVY,  
EXIM LEVY AND SPECIAL IMPORT LEVY AMOUNTING TO THE GHANA  
CEDI EQUIVALENT OF EIGHT HUNDRED AND THIRTY-FIVE THOUSAND  
AND SEVENTY-NINE UNITED STATES DOLLARS (US\$835,079.00) ON  
MATERIALS, EQUIPMENT AND VEHICLES REQUIRED FOR THE  
EXECUTION OF THE GREATER ACCRA SUSTAINABLE SANITATION AND  
LIVELIHOODS IMPROVEMENT PROJECT (GASSLIP)

**1.0 INTRODUCTION**

The request for the waiver of Import Duties, Import VAT, NHIL, GETFund Levy, EXIM Levy and Special Import Levy amounting to the Ghana Cedi equivalent of **Eight Hundred and Thirty-Five Thousand and Seventy-Nine United States Dollars (US\$835,079.00)** on materials, equipment and vehicles required for the execution of the Greater Accra Sustainable Sanitation and Livelihoods Improvement Project (GASSLIP) was presented to the House on Wednesday, 5<sup>th</sup> August, 2020 by the Hon. Minister responsible for Parliamentary Affairs, Mr. Osei Kyei-Mensah-Bonsu 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 the Minister for Sanitation and Water Resources, Hon. Cecilia Dapaah, 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, Ministry of Sanitation and Water Resources and the Ghana Revenue Authority (GRA) to consider 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);
- The Loan Agreement between the Government of the Republic of Ghana and the African Development Fund for an amount of Thirty-Five Million, Nine Hundred and Fifty Thousand Units of Accounts (UA35,950,000) [equivalent to US\$48.85 Million] to finance the Greater Accra Sustainable Sanitation and Livelihoods Improvement Project (GASSLIP); and
- The Standing Orders of the Parliament of Ghana.

## 3.0 BACKGROUND

Sanitation is a main challenge for municipalities in the city of Accra despite increasing effort by authorities to spend more of municipal budgets on sanitation services. Uncollected and indiscriminate disposal of solid waste by some residents result in choked drains, stench and unsightly environmental conditions. The situation is even worse in the low income and peri-urban areas with the attendant public and environmental ill-health.

In order to tackle the problem, Government is implementing the Greater Accra Sustainable Sanitation and Livelihood Improvement Project (GASSLIP). It is a participatory sanitation project that involves Eleven (11) Metropolitan, Municipal and District Assemblies in the Greater Accra region.

The Greater Accra Sustainable Sanitation and Livelihoods Improvement Project is designed within the context of Ghana Shared Growth and Development Agenda (GSGDA-II 2014–2017) objective for the water and sanitation sector which is to “Increase access to adequate, safe and affordable water, improved environmental sanitation and hygiene education to ensure a favourable state of health of the general population”.

In order to implement the programme successfully, the African Development Fund granted a loan facility amounting to **UA35.95 Million (equivalent to US\$48.85 Million)** to the Government of Ghana to finance the implementation of the Greater Accra Sustainable Sanitation and Livelihoods Improvement Project.

Article 57 of the Agreement establishing the African Development Fund, dated 14<sup>th</sup> August 1963 provides that goods, services and other items imported for use of the project shall be exempt from all Taxes, VAT and Customs Duties. In accordance with Article 174 of the Constitution, the Ministry of Finance has submitted a request for waiver of taxes and duties on materials, equipment and vehicles required to implement the project. It is this request that is before the House.

#### 4.0 PURPOSE OF THE REQUEST

The request is to seek approval for the waiver of taxes amounting to the Ghana Cedi equivalent of **US\$835,079.00** for goods to be imported for the project. The breakdown of the assessments are captured in Table 1 below:

Table 1 **Assessment of Materials and Equipment to be Imported**

	Description	Amount (US\$)
1	Import Duty	323,135.00
2	NHIL/ GETFund	127,183.00
3	Import VAT	333,855.00
4	Exim Levy	17,450.00
5	SIL	33,456.00
	<b>TOTAL</b>	<b>835,079.00</b>

Attached as an **APPENDIX** are the details of the tax assessment done by GRA.

#### 5.0 OBSERVATIONS

##### 5.1 Rationale for the Waiver

The Committee was informed that sanitation continues to be a major challenge for the Greater Accra Region. The sanitation situation in Accra is deplorable, and progress to improve sanitation access has been slow. In order to address the overwhelming sanitation challenges in Accra, the Government is implementing a number of projects. One of such projects is the Greater Accra Sustainable Sanitation and Livelihoods Improvement Project (GASSLIP). The proposed project will expand and build on the success of the previous African Development Bank-funded Accra Sewerage Improvement Project (ASIP) to better deliver and manage sanitation services within Greater Accra Metropolitan Area (GAMA).

The project will also help to tackle bottlenecks in the services delivery pathways of both liquid and solid waste, and target low income areas where more than half of the

Greater Accra Metropolitan Area population lives, with the aim of reversing the sanitary situation and bring down the high price the urban poor pays as a result of insufficient environmental sanitation.

Under the Agreement establishing the African Development Fund, goods, services and other items imported for the use of the project are to be exempted from the payment of taxes and duties. In order to comply with Article 174 of the 1992 Constitution and to ensure the successful implementation of the project, a request for the waiver of taxes and duties for the project has been submitted to Parliament for approval.

## **5.2 Benefits of the project**

The Committee observed that the benefits to be derived from the project include the following:

- i. improved environmental and ecological conditions;
- ii. improved hygiene and health standards;
- iii. improved economic well-being of the people;
- iv. improved quality of life and personal dignity;
- v. improved effluent water quality discharges;
- vi. increased employment opportunities;
- vii. improved infrastructure in designated project areas;
- viii. improved sanitary conditions;
- ix. reduced recurring problems including cholera and flooding;
- x. enhanced institutional capacity, including school strengthening; and
- xi. increased economic activities

## **5.3 Project Beneficiaries**

The Committee observed that about Sixty-Four (64) percent of the estimated 4.3 Million people living in the Greater Accra Metropolitan Area and its surrounding areas would benefit from the project. This will include direct beneficiaries of about 2.1 Million people and about 1.8 Million indirect beneficiaries. Specifically, the project covers all the Assemblies in the Greater Accra Region that is made up of the Two (2) Metropolitan Assemblies and Twenty-Three (23) Municipal Assemblies.

#### **5.4 Distribution of Dustbins**

The Committee observed that some of the items to be procured are One Thousand (1000) units of waste bins. It was explained that the waste bins are to be distributed to all parts of the Greater Accra Region to enhance refuse collection.

The Committee was informed that the Ministry has already commenced the distribution of the waste bins. It is the view of the Ministry that by the end of the project, every corner of GAMA would have a litter bin to help address the sanitation problem.

#### **6.0 CONCLUSION**


Considering the benefits to be derived from the project, the Committee is of the view that the request, when granted will go a long way to improve the sanitation situation in the Greater Accra Region.

The Committee therefore recommends to the House to adopt its report and to approve the request for the waiver of Import Duties, Import VAT, NHIL, GETFund Levy, EXIM Levy and Special Import Levy amounting to the Ghana Cedi equivalent of **Eight Hundred and Thirty-Five Thousand and Seventy-Nine United States Dollars (US\$835,079.00)** on materials, equipment and vehicles required for the execution of the Greater Accra Sustainable Sanitation and Livelihoods Improvement Project (CASSLIP) 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**

**August, 2020**

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

**TAX ASSESSMENT**  
**MINISTRY OF SANITATION & WATER RESOURCES/GASSLIP**

Description of Items	Qty	unit	CIF (USD)	I/D Rate	Imp. Duty	Nhil/Gfund 5%	Imp. VAT 12.5%	EXIM Levy 0.75%	SIL 0%/2%	TOTAL (USD)
Supply of Waste Bins Street (1000 No.)	1,000	pcs	200,000	20%	40000	12000	31500	1500	4000	89,000
Supply of Demonstration Communal Waste Containers (30 No. Communal Waste Containers - Skips)	30	pcs	150,000	20%	30000	9000	23625	1125	3000	66,750
Supply of Waste Collection Equipment & Motor Powered Small Vehicles (Three wheeled motor powered vehicles - 24 No.)	24	units	120,000	20%	24000	7200	18900	900	2400	53,400
4/4 Station Wagon for MAAs (Support Goods including Vehicles for MMA Environmental /Public Health Department Monitoring)	11	units	440,000	20%	88000	26400	69300	3300	8800	195,800
Procurement of desktop computers for the Environmental Health Department for the MMAs	50	units	200,000	5%	10000	10500	27563	1500	0	49,563
Procurement of printers for the Environmental Health Department for the MMAs	50	units	200,000	20%	40000	12000	31500	1500	0	85,000
Stationary Items	Various	pcs	60,000	20%	12000	3600	9450	450	1200	26,700
Supply of Toners	Various	pcs	60,000	20%	12000	3600	9450	450	1200	26,700
Office Furniture	Various	pcs	60,000	20%	12000	3600	9450	450	1200	26,700
Laptop Computers with accessories	30	pcs	38,550	5%	1928	2024	5313	289	0	9,553
Desktop Computers with accessories	9	pcs	18,600	5%	930	977	2563	140	0	4,609
Multifunctional Photocopier	3	pcs	6,303	20%	1261	378	993	47	0	2,679
All- in- one Colour Printer (A4)	10	pcs	34,550	20%	6910	2073	5442	259	0	14,684
Uninterrupted Power Supply (UPS)	9	pcs	16,680	5%	834	876	2299	125	0	4,134
Portable Hard Disk (4TB)	10	pcs	5,100	5%	255	268	703	38	0	1,264