

PARLIAMENT OF GHANA LIBRARY

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

REPORT OF THE FINANCE COMMITTEE

ON THE

**FINANCING AGREEMENT BETWEEN THE
GOVERNMENT OF THE REPUBLIC OF GHANA
AND THE INTERNATIONAL DEVELOPMENT
ASSOCIATION (IDA) FOR AN AMOUNT OF
TWENTY-FIVE MILLION, FIVE HUNDRED
THOUSAND SPECIAL DRAWING RIGHTS
(SDR25,500,000) [EQUIVALENT TO
US\$35.00 MILLION] TO FINANCE THE
GHANA COVID-19 EMERGENCY
PREPAREDNESS AND RESPONSE PROJECT**

MARCH 2020

1.0 INTRODUCTION

The **Financing Agreement** between the **Government of the Republic of Ghana** and the **International Development Association (IDA)** for an amount of ***Twenty-Five Million, Five Hundred Thousand Special Drawing Rights (SDR25,500,000)*** [equivalent to US\$35.00 Million] to finance the **Ghana COVID-19 Emergency Preparedness and Response Project** was *presented* to the House on Saturday 28th March 2020 by the Hon. Deputy Minister for Finance, Mrs. Abena Osei-Asare on behalf of the Minister for Finance.

Pursuant to Article 103 of the 1992 Constitution and Orders 169 and 171 of the Standing Orders of the House, the Agreement was *referred* to the Committee on Finance for consideration and report.

The Committee subsequently met and discussed the Agreement with Deputy Ministers for Finance, Hon. Mrs. Abena Osei-Asare and Hon. Kwaku Kwarteng as well as officials from the Ministries of Finance and Health.

The Committee hereby submits this report to the House pursuant to Order 161 of the Standing Orders of the House.

The Committee is grateful to the above-mentioned Honourable Deputy Ministers and the officials for attending upon the Committee.

2.0 REFERENCES

The Committee referred to and was guided by the following documents *inter alia* during its deliberations on the Agreement:

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

3.0 BACKGROUND

The Corona Virus Disease 2019 (COVID-19) pandemic caused by a novel coronavirus (SARS-CoV-2) is prevalent in over 110 countries and territories, including Ghana. As of March 23, 2020, the outbreak had recorded nearly 436,024 cases and 19,630 deaths globally according to the Coronavirus Worldometer.

The impact of COVID-19 has been profound as it has caused significant disruptions to social and economic activities across the world. With more than 65% of the global economy under some form of a lockdown, most economies are predicted to experience some degree of depression for a foreseeable future. In fact, the United Nations Economic Commission for Africa (UNECA) estimates that this pandemic will cause the projected 2020 GDP growth for Africa to drop from 3.2% to 1.8%.

As at 29th March 2020, Ghana had recorded 152 confirmed COVID-19 positive cases, 5 deaths and only two recoveries.

The economy of Ghana is expected to have a significant negative impact from COVID-19. Preliminary assessment indicates that using an average crude oil price of US\$30 per barrel for 2020, expected petroleum revenue will record a shortfall of GH¢5,660.35 Million (US\$993 Million). Further, the slowing down of domestic economic activity is expected to hit tax revenue to the tune of GH¢2,254.3 Million. There are also expected negative impacts on the transport, hotel and tourism sectors.

The scale and severity of the impact of COVID-19 on Ghana will depend on the scope and nature of responses from Ghanaians as well as from Government and its international Development Partners (DPs). Cognizant of this, the Government of Ghana has developed national **Emergency Preparedness and Response Plan (EPRP)** for COVID-19 valued at a total of One Hundred Million United States Dollars.

The instant loan facility from the IDA is thus to part-finance the EPRP for COVID-19.

3.1 PROJECT OBJECTIVE

The Project Development Objective (PDO) is to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness in Ghana.

The *Emergency Preparedness and Response Plan (EPRP) for COVID-19* specifically aims to:

- i. Strengthen coordination of overall preparedness activities
- ii. Strengthen capacity of regions, priority health facilities and points of entry to prevent, rapidly detect, investigate and control any COVID-19 outbreak in Ghana;
- iii. Strengthen national capacity for laboratory surveillance and diagnosis;
- iv. Building capacity for early diagnosis, case management, contact tracing and infection prevention and control;
- v. Ensuring minimum health logistics are in place in prioritised regions, health facilities and points of entry for preparedness and laboratory capacity sustained for timely and quality testing of COVID-19 samples; and
- vi. Increasing public awareness on COVID-19 risk mitigation and response measures.

4.0 TERMS AND CONDITIONS OF THE LOAN

The terms and conditions of the Loan are as follows:

Loan Amount	-	SDR 25.5 Million (equivalent to US\$35.00. Million)
Grace Period	-	5 years
Repayment Period	-	25 years
Maturity Period	-	30 years
Maximum Commitment Charge	-	0.5% per annum (This is waived for FY2020)

Service Charge	-	0.75% per annum
Interest charge	-	1.25% per annum
Grant Element	-	33.23%

5.0 PROJECT DESCRIPTION

The Project will have four (4) main components as follows:

i. Component 1 – Emergency COVID-19 Response – US\$21.5 Million:

Sub-Component 1.1: Case Detection, Confirmation, Contact Tracing, Recording and Reporting (US\$4.5 Million)

This sub-component seeks to (a) strengthen disease surveillance systems at points of entry (POEs), public health laboratories, and epidemiological capacity for early detection and confirmation of cases; (b) combine detection of new cases with active contact tracing; (c) support epidemiological investigation; (d) strengthen risk assessment, and (e) provide on-time data and information for guiding decision-making and response and mitigation activities.

Sub-Component 1.2: Containment, Isolation and Treatment (US\$12.7 Million)

In respect of this sub-component, the focus will be to support the leasing, renting, establishment and refurbishing of designated facilities and centers to

contain and treat infected cases in a timely manner. It is intended to offer psychosocial and essential social support to those who are in isolation and quarantine centers and consideration of gender sensitivity and special care for people with disabilities and/or chronic conditions.

Sub-Component 1.3: Social and Financial Support to Households (US\$0.7 Million)

This sub-component aims to provide support for the families of those who are isolated or quarantined. The support will include psychosocial counselling, food-baskets and feeding during the isolation, quarantine and treatment period. It will also include fee-waivers to access medical care and cash transfers to mitigate loss of household income due to job losses that may result from the closure of firms and enterprises, informal sector businesses, as well as Government agencies, during the COVID-19 outbreak.

Sub-Component 1.4: Health System Strengthening (US\$3.6 Million)

Under this sub-component, activities relating to training and capacity building for preparedness and response as well as service delivery will be prioritised. Key amongst the activities are (a) training of contact tracing coordination teams and networks at the national,

regional and district levels; (b) recruitment of technical experts and human resources for technical work and supportive supervision; (c) training of district and sub-district level health workers and volunteers for surveillance and case management; and (d) training of laboratory personnel to build diagnostic capacity for COVID-19 at the subnational (regional/district) level.

ii. Component 2 – Strengthening Multi-Sector National Institutions and Platforms for Policy Development and Coordination of Prevention and Preparedness using “One Health” approach – US\$3.4 Million:

The focus of this component will be to provide (a) technical support for strengthening governance and updating policies and plans; (b) support for institutional and organisational restructuring to respond to emergencies such as pandemic diseases; and (c) contracts for private management of newly established infectious disease centers and medical villages. Support would be also provided to develop standardized life insurance package, overtime and hazard payments, which are to be made available for those directly involved in surveillance and case management. The component would also support enhancing diseases information systems through development of a disease surveillance information system.

iii. Component 3 – Community Engagement and Risk Communication (US\$7.4 Million)

This Component will address the risk communication and community engagement needs of the project. Emphasis will be placed on both the process and development of broadcast and communication support materials including billboards, printing of leaflets and pocket cards, epidemiological bulletins, TV documentaries and payment for broadcast of 'informercials', civic education and faith-based organisation engagements. Where needed, technical assistance will be procured, and technical facilitator and expert commentators secured.

iv. Component 4 – Implementation Management, Monitoring and Evaluation and Project Management – US\$2.7 Million:

The Project Management activities will include the recruitment of additional staff/consultants responsible for overall administration, procurement and financial management under the project and the financing of project coordination activities. With respect to Monitoring and Evaluation, the activities include: (i) training in participatory monitoring and evaluation at all administrative levels (ii) the development of an action plan for monitoring and evaluation; (iii) carrying out an impact evaluation on quantitative and qualitative aspects

of the project interventions, including the collection of qualitative information through site-visit interviews, focus groups and respondent surveys.



6.0 OBSERVATIONS

6.1 World Bank's Response to the COVID-19 Pandemic

The Committee was informed that the World Bank Group has created a dedicated COVID-19 Fast Track Facility to support countries respond to and mitigate the impacts of the COVID-19 pandemic.

To optimise the opportunities offered by the COVID-19 Fast Track Facility, Government has prepared a Ghana COVID-19 Emergency Preparedness and Response Project. This project is underpinned by the EPRP which is informed by an assessment of the challenges in the national health emergency eco-system and inspired by the lessons of the last Ebola outbreak in West Africa in 2014-2015.

6.2 Alignment with Government Policies and Strategies

The Committee noted that the Project is in alignment with the national Action Plan for Health Security (NAPHS 2020-2025) being developed to address health emergencies under the "One Health" framework. It is a comprehensive scheme to build resilience within the health and other allied

sectors for emergency preparedness and response. The project is thus part of the bigger Emergency Preparedness and Response Plan (EPRP) being implemented by Government.

6.3 Project Beneficiaries

The Committee was informed that the expected project beneficiaries will be at-risk populations, infected people, medical, paramedical and emergency personnel, medical, quarantine and testing facilities, and health agencies in the public, non-state and private sector.

6.4 Expected Outcomes of the Project

The Committee noted that the interventions to be implemented under the **Ghana COVID-19 Emergency Preparedness and Response Project** are expected to yield the following benefits:

- i. Enhanced control measures to halt further infections, loss of life and mitigate the negative economic impact as a result of the outbreak
- ii. Upgraded national response capacity by improving access to health services, safeguarding people against the epidemic, strengthening disease surveillance and anchoring other public health interventions
- iii. Improved national forecasting, prevention and preparedness requirements of infrastructure

- (reference labs, clinical capacity), equipment, reagents and commodities, with trained local capacities embedded in national human and animal health systems;
- iv. Improved monitoring and evaluation of prevention and preparedness, built capacity for clinical and public health research, and joint-learning across the country.

6.5 Total Cost of Project

As to how much the COVID-19 Emergency Preparedness and Response Plan would cost, the Committee was informed that the Plan is estimated to cost **US\$100.00 Million**. The Contingency Emergency Response Component (CERC) of the existing World Bank-supported Greater Accra Resilient and Integrated Development (GARID) Project has been activated to provide additional US\$65.00 Million.

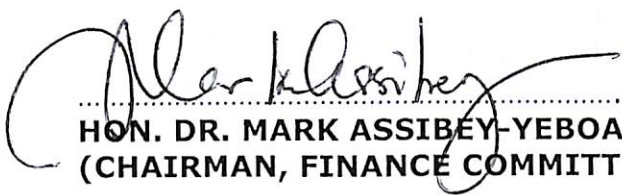
To ensure that the GARID Project is not truncated, the US\$65.00 Million will be refunded from Ghana's IDA 19 allocation which will become effective in July 2020.

7.0 CONCLUSION

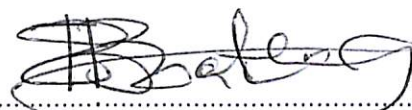
In view of the foregoing, the Committee respectfully recommends to the House to adopt this report and approve by Resolution, the **Financing Agreement** between the **Government of the Republic of Ghana** and the **International Development Association (IDA)** for an

amount of ***Twenty-Five Million, Five Hundred Thousand Special Drawing Rights (SDR25,500,000)*** [equivalent to US\$35.00 Million] to finance the **Ghana COVID-19 Emergency Preparedness and Response Project** in accordance with Article 181 of the 1992 Constitution of the Republic of Ghana.

Respectfully submitted.



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



MS. EVELYN-BREFO-BOATENG
(CLERK, FINANCE COMMITTEE)

30TH MARCH, 2020

