

IN THE SECOND SESSION OF THE EIGHTH PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA



REPORT OF THE FINANCE COMMITTEE

ON THE

**FINANCING AGREEMENT BETWEEN THE
GOVERNMENT OF THE REPUBLIC OF
GHANA (REPRESENTED BY THE
MINISTRY OF FINANCE) AND THE
EUROPEAN INVESTMENT BANK (EIB)
FOR AN AMOUNT OF *SEVENTY-FIVE
MILLION EUROS (€75,000,000.00)* FOR
THE COVID-19 HEALTH RESPONSE
GHANA PROJECT**

MARCH 2022

PARLIAMENT OF GHANA LIBRARY

1.0 INTRODUCTION

The **Financing Agreement** between the **Government of the Republic of Ghana (represented by the Ministry of Finance)** and the **European Investment Bank (EIB)** for an amount of **Seventy-Five Million Euros (€75,000,000.00)** for the **COVID-19 Health Response Ghana Project** was *presented* to the House on 9th February 2022 by the Hon. Deputy Minister for Finance, Mr. John Ampontuah Kumah on behalf of the Minister responsible 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 met and discussed the Agreement with a Deputy Minister for Health, Hon. Alhaji Mahama and a team of 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 Honourable Deputy Minister for Health and the team of 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

Following the outbreak of the Coronavirus Disease 2019 (COVID-19), the Government of Ghana has sourced for resources internally and from Development Partners to support the implementation of the COVID-19 emergency preparedness and response. Government's response plan has been vital in preventing, detecting, as well as strengthening the National Health Systems to respond to the threat posed by the COVID-19 pandemic.

The funds sourced by Government have facilitated the implementation of the COVID-19 containment interventions through the:

- i. Expansion of diagnostic capacity from 2 to 19 laboratories in 10 out of 16 regions, with an additional 11 private testing sites;
- ii. Procurement of reagents and 29 GeneXpert equipment to further expand the testing capacity in preparation for possible repeat surges and spike waves.
- iii. Testing of over 1 Million individuals;

- iv. 21 treatment centres are equipped to increase Intensive Care Unit (ICU) bed capacity from 44 to 129 in 10 regions. 15 facilities are being refurbished to further expand isolation, treatment and ICU capacity;
- v. Provided training to 215 key laboratory personnel, and over 5,000 health workers in case management and infection, prevention and control (IPC);
- vi. Procurement and distribution of 3.6 Million reusable face masks, 4,500 infra-red thermometers, 50,000 medical scrubs, 190,000 hospital gowns, 190,000 head covers; and 60,000 gumboots to protect health workers from infection;
- vii. Supporting domestic industry through the procurement of 10 Million face masks, a Million liters of liquid soap and over 2 Million liters of hand-sanitizers and alcohol rubs from local firms under the project to complement the limited imported goods at the peak of the global pandemic; and
- viii. Providing over 10,000 persons with disabilities with IPC materials and wheelchairs to protect them from infection and improve their mobility. About 1,900 persons with disabilities were also provided with medical and psychosocial care for COVID-19 related illnesses.

This Project and other Government interventions have yielded significant progress and the encouraging outcomes which have bolstered the efforts at protecting lives and preserving livelihoods during this Pandemic.

These interventions include the

- (i) GH¢ 1.2billion Coronavirus Alleviation Program Business Support Scheme
- (ii) COVID-19 National Trust Fund; and
- (iii) COVID-19 Private Sector Fund.

Additionally, the resources have also enabled Government to roll-out a mass vaccination programme for the people of Ghana.

The Ministry of Health (MoH) has developed a "National Strategic COVID-19 Response Plan" in response to the health challenges posed by the pandemic. This response plan proposes an approach with the right balance between prevention, testing and treatment and has a well-detailed breakdown of the budgetary needs.

As part of the exploration of various mechanisms to finance the implementation of the COVID-19 Response Plan, the MoH through the Ministry of Finance requested the European Investment Bank (EIB) to contribute to the financing of the Project. The project is estimated to cost an amount of Ninety Million Euros (€90,000,000.00) to be contributed by EIB Loan (€75 million), Grant from the European Union (€7.5 Million) and GoG's own funds (€7.5 Million).

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 project consists of the financing of certain interventions aimed at strengthening the emergency response to the COVID-19 crisis, as well as financing of pandemic preparedness medium term interventions included in the national response plans.

The Project is expected to bring significant benefits to the population of Ghana in the face of the pandemic, including reduced infection rate, reduced number of severe cases and reduced mortality rate. As such, the economic benefits are expected to be significantly higher than the corresponding costs of the interventions implemented under the project.

4.0 TERMS AND CONDITIONS OF THE LOAN

The financing terms of the €75 Million EIB Credit Facility are as follows:

Loan Amount	€75,000,000.00
Repayment Period	15 years
Grace Period	5 years
Maturity	20 years
Indicative Interest	0.927% p.a. as at 20th December, 2021 (subject to change and to be fixed at the date of disbursement of each tranche)
Grant Element of Loan	36.79%
Grant Element (Loan + Grant)	42.54%

5.0 PROJECT INTERVENTIONS

Interventions under the project include:

- Increasing the existing healthcare infrastructure capacity for COVID-19 patients through the reconfiguration and adaptation of hospitals or other healthcare and non-healthcare facilities and acquisition of necessary equipment;
- Reinforcing the healthcare workforce preparedness (training, equipment, reorganisation);
- Ensuring the supply of personal protective equipment (PPE), diagnostic tests, other consumables and drugs for diagnostic and treatment of COVID-19, including the necessary transportation and delivery capacity;
- Reinforcing the oxygen production capacity in the country;
- Supporting public health activities aimed at responding to the crisis: public awareness campaigns, epidemiological surveillance (including points of entry), coordination and communication, etc.;
- Supporting transport and quarantine of contacts and patients within dedicated facilities;
- Supporting other activities aimed at alleviating the healthcare crisis; and

- Supporting any other country specific interventions as identified in the updates to the emergency response and/or pandemic preparedness plans.

ATTACHMENT: Please find attached as an Appendix a detailed Procurement Plan for the Project.

6.0 OBSERVATIONS

6.1 Options Considered by Government

The Committee was informed that three (3) distinct options were identified by Government as follows:

Option 1: Government should approve the credit facility from the European Investment Bank for the implementation of the National Strategic COVID-19 Response Plan”

Option 2: Government should fund the Project from its own resources (The Consolidated Fund) through budgetary allocation to the Ministry of Health

Option 3: Delay the execution of the Project before alternative funding mechanisms are arranged.

The Committee noted that Government settled on Option 1 because the EIB facility provides timely and adequate funds (despite the associated interest costs) to ensure continuous implementation of the “National Strategic COVID-19

Response Plan” to fight the pandemic. Also, the EIB facility is highly concessional and comes with a grant amount of €7.5 million.

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 Preparedness to Mitigate the Severity of Pandemic

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 the **COVID-19 Health Response Ghana Project** to deal with the pandemic.

The instant loan facility from the EIB is thus to provide part-financing for the Project.

6.6 Expected Outcomes of the Project

The Committee noted that the interventions to be implemented under the **COVID-19 Health Response Ghana 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 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.
- v. Contribute towards ensuring universal health coverage.
- vi. Preservation of the health and life of the population by improving the status of the healthcare delivery system in the face of the COVID-19 pandemic.

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 (represented by the Ministry of Finance)** and the **European Investment Bank (EIB)** for an amount of **Seventy-Five Million Euros (€75,000,000.00)** for the **COVID-19 Health Response Ghana Project** in accordance with article 181 of the 1992 Constitution of the Republic of Ghana.

Respectfully submitted.



HON. KWAKU KWARTENG
(CHAIRMAN, FINANCE COMMITTEE)

PARLIAMENT OF GHANA



MRS. JOANA A.S. ADJEI
(CLERK, FINANCE COMMITTEE)

14TH MARCH, 2022