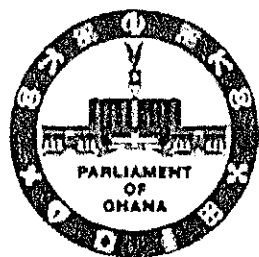


IN THE SECOND SESSION OF THE EIGHTH PARLIAMENT OF THE FOURTH REPUBLIC OF  
GHANA



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 INTERNATIONAL  
DEVELOPMENT ASSOCIATION OF THE WORLD BANK GROUP (WBG) FOR  
AN AMOUNT OF SIXTY MILLION AND SIX HUNDRED THOUSAND UNITED  
STATES DOLLARS (US\$60,600,000.00) AS A THIRD ADDITIONAL  
FINANCING FOR THE GHANA COVID-19 EMERGENCY PREPAREDNESS  
AND RESPONSE PROJECT.

**1.0. INTRODUCTION**

The Financing Agreement between the Government of the Republic of Ghana (represented by the Ministry of Finance) and the International Development Association of the World Bank Group (WBG) for an amount of **Sixty Million and Six Hundred Thousand United States Dollars (US\$60,600,000.00)** as a third **Additional Financing for the Ghana COVID-19 Emergency Preparedness and Response Project** was presented to the House on Tuesday 22<sup>nd</sup> November, 2022 by the Hon Deputy Minister for Finance, Mrs. Abena Osei Asare in accordance with Article 181 of the 1992 Constitution and Section 56 of the Public Financial Management Act, 2016, Act 921.

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 Finance Committee for consideration and report.

The Committee subsequently met with the Hon. Deputy Ministers for Finance and Health, Mrs. Abena Osei Asare and Alhaji Mahama Seini Asei respectively and Officials from the Ministries of Finance and Health and deliberated on the Agreement.

The Committee hereby submits this report to the House pursuant to Order 161(1) of the Standing Orders of Parliament.

The Committee is grateful to the Hon. Deputy Ministers and Officials for attending upon it and assisting in the deliberations.

## **2.0. REFERENCES**

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

1. The 1992 Constitution of the Republic of Ghana
2. The Standing Orders of the Parliament of Ghana
3. The Public Financial Management Act, 2016 (Act 921)

## **3.0. BACKGROUND**

In an effort to combat the outbreak of the corona virus (COVID-19), the Government of Ghana sourced US\$100.0 million funding from the World Bank in April 2020 to support the implementation of the COVID-19 Emergency

preparedness and response plan (EPRP-1). The EPRP-I had been vital in preventing, detecting, as well as strengthening the health systems to respond to the threat posed by the COVID-19 pandemic. To strengthen and scale-up the gains from the EPRP-1 Government rolled-out the EPRP-II with additional financing of US\$130.0 million from the World Bank Group. Government further secured US\$200.0 million in 2021 as second additional financing to support Ghana's Vaccines Rollout plan. The US\$200.0 million support was directed at the procurement of COVID-19 vaccines and strengthening of health system for large scale vaccines deployment. This brings the total IDA financing for Ghana's COVID-19 response to US\$430.0 million, including a US\$65.0million from Greater Accra Resilient and Integrated Development (GARID) project from the contingent Emergency Response (CERC) component.

Despite the progress in health systems strengthening as a result of the implementation of ERP I and ERP II, the COVID virus continue to mutate and present complications for prevention, detection and response. Additionally, the reopening of the country's borders has further exposed the weaknesses in managing the country's points of entry. There is therefore the need to scale up and sustain the gains and the investments made so far in the fight against the pandemic.

The Government therefore intends to expand the existing health response to the pandemic by building on interventions made under ERP I and II by supporting long term institutional capacity to increase the health systems resilience to prevent further increase in COVID-19 cases and also equip institutions against future outbreak.

#### **4.0. JUSTIFICATION FOR THE PROJECT**

The rationale for the additional financing is to scale up interventions towards an accelerated socio economic recovery and revitalization. The US\$60,600,000 funding from the IDA will provide upfront financing for safe and effective vaccine deployment in Ghana. This will enable the country to vaccinate the at risk and target population in line with Ghana COVID-19 Strategic Preparedness and Response Program (SPRP).

It is expected that the successful implementation of the program will significantly scale up the proportion of persons vaccinated from the present 38.3% of the population. The project is also consistent with the National Action Plan for health Security and other global initiatives.

#### **5.0. TERMS AND CONDITIONS OF THE FACILITY**

The additional credit facility of US\$60.6 million financing for the implementation of the COVID -19 Emergency preparedness and response plan is an IDA blended facility with the following terms:

Loan Amount	US\$60.6 million
Repayment Period	25 years
Maximum Commitment Charge	0.5% p.a. on the Unwithdrawn Financing Balance (Currently Waived)
Service Charge	1.31% - sum of three-fourth of one percent (3/4 of 1% per annum plus the Basis Adjustment (+56bps) to the Service Charge on the Withdrawn Credit Balance
Interest Charge	1.35% - sum of one and a quarter percent (1.25) per annum plus the Basis Adjustment to the Interest

	Charge (+10bps) on the Withdrawn Credit Balance
Grant Element	25.86%

## 6.0. PROJECT DESCRIPTION

The project aims to prevent, detect and respond to the threats posed by COVID-19 and strengthen national system for public health preparedness in Ghana. The implementation of the proposed project would increase IDA funding for COVID-19 interventions from US\$365 million to US\$425.60 million (excluding US\$65 million from GARID and CERC). The proposed project is structured into five (5) main components as follows:

### **Component 1: Emergency Covid-19 Response – US\$376.46 million**

This component of the project would focus on case detection, confirmation of contact tracing, case containment, isolation and treatment. Other activities under this component are strengthening vaccine deployment and social support for the vulnerable.

**Component 2:** An amount of US\$15.60 million has been allocated to this component of the project. The component aims at Strengthening Multi-Sector National Institutions and Platform for Policy Development and coordination of prevention and preparedness using one health approach

**Component 3:** The third component of the project involves Community engagement and risk communication. An amount of US\$15.80 million has been allocated for this component.

**Component 4:** The final Component of the project for which an amount of US\$13.94 million has been allocated involves project Implementation Management, Monitoring and Evaluation and Project Management.

An amount of US\$5.00 million out of the total project cost of US\$60.60 million remains unallocated to any of the component.

Detail overview and cost allocation to the components of the ongoing project and the proposed one is attached as appendix.

## **7.0. OBSERVATION**

### **7.1. Application of the Facility**

The Committee noted that a total sum of US\$365 had already been approved for the Ministry of Health for the Covid -19 Emergency Response and Preparedness project. The current request will bring the total amount to of IDA facility committed to Ghana's COVID-19 response program to US\$425.6 million. Officials from the Ministry of Health informed the Committee that the emergence of COVID-19 exposed the weaknesses in the health system and its ability to respond effectively to the threat of public health emergencies. There was therefore the need to take steps to rectify the challenges identified to strengthen the health system for public health preparedness. To this end the government secured a facility from IDA to implement a number of programs. The facilities were applied to enhanced contact tracing and increase testing. At the beginning of the pandemic, there were 54 designated acute health care facilities with isolation capacity. However, as the pandemic evolved, all hospitals are currently admitting COVID -19 patients and 74.0% of all hospitals have been supported to provide requisite COVID -19 services.

The project has also supported in establishing national laboratory network to coordinate and enhance capacity for laboratory testing. Additionally, the number of laboratories providing COVID-19 test by Polymerase Chain Reaction (PCR) has been expanded to include National Public Health Reference Laboratory, laboratories of the veterinary service, University of health and Allied Science and center for scientific and industrial Research.

The project also provided funding for the training of relevant health professionals and the supply of PPEs to all relevant facilities. The project also supported the procurement of laboratory and medical equipment and consumables to support COVID-19 testing and treatment. Some of the equipment procured include 6 CT scan machines, 20 X-ray machines and 50 ultrasound machines. Civil works for 10 out of 15 treatment and holding canters have been completed and commissioned under the project and an additional 5 facilities are between 66.0% and 80.0% complete.

The Committee noted that the additional funding would be applied to procure equipment to strengthen the health system in Ghana in preparedness for public health emergencies. Specifically, the facility will be applied to procure health equipment for both Korle-Bu Teaching Hospital and the 37 Ministry Hospital.

#### **6.2. Investigation of Covid-19 Expenditure**

Some Members of the Committee expressed concerns about the propriety of approving additional funding for COVID-19 activities when resources already approved for COVID-19 expenses had not been properly accounted for. They contend that, the issue of COVID-19 expenses is a subject of Parliamentary enquiry and urged the Committee to deferred approval of additional resources for COVID-19 expenses. They further argued that, significant proportion of the facility is dedicated to consultancy services instead of the funds been invested in equipment to strengthen health system and improve healthcare delivery in Ghana.


## **8.0. CONCLUSION**

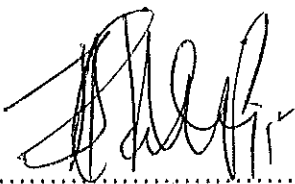
The Committee having carefully examined the referrals is of the view that the implementation of the Project would contribute to attaining the COVID-19 vaccine deployment program of the government and help strengthen the country's health system to withstand any future outbreak of COVID-19.

The Minority Members of the Committee however, expressed their inability to support the approval of additional resources for COVID-19 when the expenditures already incurred in respect of COVID-19 could not be properly accounted for and when the expenditure is a subject for an ongoing Parliamentary enquiry.

In view of the enormous potential benefits to be derived from the project and its capacity to address the pressing challenges and vulnerabilities in the health system and to promote vaccine roll out, the Committee by **Majority Decision** recommends to the House to adopt its report and approve **the Financing Agreement between the Government of the Republic of Ghana (represented by the Ministry of Finance) and the International Development Association of the World Bank Group (WBG) for an amount of Sixty Million and Six Hundred Thousand United States Dollars (US\$60,600,000.00) as a third Additional Financing for the Ghana COVID-19 Emergency Preparedness and Response Project** in accordance with Article 181 of the Constitution, Section 56 of the Public Financial Management Act, 2016 (Act 921) and Order 169 of the Standing Orders of the Parliament of Ghana.

Respectfully Submitted.

  
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**HON. KWAKU AGYEMAN KWARTENG**  
**(CHAIRMAN, FINANCE COMMITTEE)**

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

21<sup>st</sup> December, 2022