

**IN THE THIRD SESSION OF THE EIGHTH PARLIAMENT OF THE  
FOURTH REPUBLIC OF GHANA**



**REPORT OF THE FINANCE COMMITTEE ON THE REQUEST FOR  
WAIVER OF IMPORT DUTY, IMPORT NHIL, IMPORT GETFUND  
LEVY, IMPORT VAT, AU LEVY, ECOWAS LEVY AND INSPECTION  
FEES AMOUNTING TO THE GHANA CEDI EQUIVALENT OF  
NINETY-NINE MILLION, TWO HUNDRED AND SEVEN  
THOUSAND, ONE HUNDRED AND NINETEEN EUROS AND FORTY-  
FIVE CENTS (€99,207,119.45) [MADE UP OF €64,665,350.52  
FOR GLOBAL FUND AND GAVI ALLIANCE AND €34,551,768.93  
FOR OTHER DEVELOPMENT PARTNERS TO THE MINISTRY OF  
HEALTH] FOR MEDICAL SUPPLIES INCLUDING VACCINES,  
MEDICINES, EQUIPMENT AND VEHICLES TO SUPPORT THE  
HEALTH SECTOR FOR THE PERIOD 2021 - 2023**



**1.0. INTRODUCTION**

The request for waiver of Import Duty, Import NHIL, Import GETFund Levy, Import VAT, AU Levy, ECOWAS Levy and Inspection Fees amounting to the Ghana Cedi equivalent of Ninety-Nine Million, Two Hundred and Seven Thousand, One Hundred and Nineteen Euros and Forty-Five Cents (€99,207,119.45) [made up of €64,665,350.52 for Global Fund and GAVI Alliance and €34,551,768.93 for other Development Partners to the Ministry of Health] for medical supplies including vaccines, medicines, equipment and vehicles to support the health sector for the period 2021 - 2023 was presented to the House on Friday 17<sup>th</sup> March, 2023 by the Hon. Minister responsible for Parliamentary Affairs, Mr. Osei

Kyei-Mensah-Bonsu on behalf of the Minister responsible for Finance.

Pursuant to Order 169 of the Standing Orders of the House, the request was *referred* to the Finance Committee for consideration and report.

The Committee subsequently met and considered the request with the Minister for Health, Hon. Kwaku Agyeman-Manu, Deputy Minister for Finance, Hon. Abena Osei Asare and a team of officials from the Ministries of Finance and Health as well as the Ghana Revenue Authority (GRA). The Committee hereby presents this report to the House pursuant to Order 161(1) of the Standing Orders of the House.

## **BACKGROUND**

- 2.1.** The health system is critical for national development and Government envisions that the right to health of people living in Ghana is guaranteed through an established sustainable health system which could deliver comprehensive, affordable, equitable, responsive health services and easily accessible healthcare to the population. Government has made a commitment to strengthen health promotion and prevention services by scaling up healthy lifestyle and disease prevention strategies as well as improve access to curative and emergency services.
- 2.2.** Ghana's health sector has over the years achieved positive gains in promoting the health of the Ghanaian citizenry. Development Partners in health have contributed significantly to these gains but in recent times sustaining the gains has become very crucial. Their support to the efforts aimed at eliminating HIV, Malaria and TB as well as ensuring that every child is reached through immunization cannot be underemphasized.
- 2.3.** The Ministry of Health (MoH) is responsible for the health of the people of Ghana. It is involved in providing public health

services, managing healthcare industry, and building hospitals and medical education system.

- 2.4. The health status of people living in Ghana is improved by the MoH through the development and promotion of proactive policies, provision of universal access to basic health service, and the provision of quality and affordable health services which are delivered in a humane, efficient, and effective manner by well-trained, highly motivated and client-oriented personnel with involvement of all stakeholders.
- 2.5. The MoH and its Agencies have specific mandate to assess and monitor the country's health status, advise central government on health policies and legislation, formulate strategies and design programmes to address health problems of the country and implement, monitor, and evaluate (in collaboration with other related Sectors, Agencies and Donor Partners) all health programmes and activities in the country.
- 2.6. As a policy, the MoH is to maximize the potential healthy life of individuals resident in Ghana by reducing the incidence and prevalence of illness, injury and disability and the prevention of premature death. It also seeks to address the health access inequalities between and within regions and districts in respect of emergency care, diseases eradication, elimination, financing policy and health insurance, chemotherapy and HIV/AIDS and quality of care.
- 2.7. The Government of Ghana and health sector Development Partners commit resources towards the implementation of the health sector annual programme of work. About 70% of the donor funds are used for procurement and importation of health and non-health products including vaccines, nutritional food supplements and medicines. For purposes of health system strengthening, part of the donor funds is used to procure motor bikes, bicycles, vehicles, fibre boats, medical equipment, and service parts.

2.8. Imports of health and non-health products to the MoH and its related agencies have high monetary value, and this translates into huge imports bill which the MoH has inadequate financial resources to settle. In the Framework Agreements between the MoH and Development Partners are clauses prohibiting implementing actors from applying cash grants /operational funds to pay taxes, duties and levies on imported health and non-health products as well as VAT component of conference packages or related costs.

### **3.0. PURPOSE OF THE REQUEST**

The Objective of the instant request is to seek Parliamentary approval in accordance with article 174(2) of the 1992 Constitution for the waiver of the various taxes and duties in relation to medical supplies (vaccines, medicines, equipment and vehicles) to the Ministry of Health by the Global Fund, GAVI Alliance and other Development Partners including JICA, UNICEF, WAHO, KOICA, WHO etc.

### **4.0. TOTAL WAIVER REQUESTED**

The total amount of taxes and duties for which waiver is being sought is the Ghana Cedi equivalent of **Ninety-Nine Million, Two Hundred and Seven Thousand, One Hundred and Nineteen Euros and Forty-Five Cents (€99,207,119.45)** [made up of **€64,665,350.52** for Global fund and GAVI alliance and **€34,551,768.93** for other Development Partners

### **5.0. OBSERVATIONS AND RECOMMENDATIONS**

#### **5.1. Global Fund Investment in Ghana**

The Committee noted that the Global Fund's cumulative investment to Ghana is estimated at US\$1.2 billion. The Government of Ghana (GoG) represented by the Ministry of Health (MoH) entered into a Grant Agreement with the Global Fund to fight AIDS, Tuberculosis, and malaria in December 2021 to implement two programmes – "Investing for impact to end

Tuberculosis and HIV, and "Building effective systems for impactful malaria control. For the period 2021-2023, the Global Fund allocation for the health sector is estimated at US\$238,196,057.00.

## **5.2. GAVI's Support to Ghana**

GAVI has also been an active partner and provides cash grants and vaccines to support healthcare delivery in Ghana. Since year 2000, GAVI has disbursed cash grants totaling US\$42.0 million and vaccines support totaling US\$259.0 million. GAVI's renewed support to Ghana's health sector programme of work for 2021-2023 is also estimated at US\$33.0 million cash grant and US\$25,679,258.00 vaccine support.

## **5.3. Condition Precedent to Health Commodity Supply**

The Committee observed that as a condition precedent for the supply of health commodities by these international partners, the country is required to provide tax exemptions to cover the clearing of the commodities at the ports of entry. An integral part of the MoU signed between the MoH, and Development Partners prohibits the use of the grant funds for the payment of all applicable taxes, duties and levies on commodity imports as well as the use of cash grants for payment of VAT on services. Some of the health commodities such as vaccines and medicines have limited shelf life which could affect the potency of the commodities. Also, any delays in clearance could result in huge demurrage/storage and rent charges to the sector and the Government.

## **5.4. Need for Waiver**

The Committee noted that the provisions of article 3.5 (Exemption from Taxation) of the Grant Regulations (2014) of the Global Fund stipulate that the Grant Funds shall be exempt from relevant taxation applicable in the host country, including but not limited to customs duties, import duties, taxes or fiscal charges of equal

effect levied or otherwise imposed on the Health Products imported into the host country.

Also, article 15 (Taxes) of the Partnership Framework Agreement for Vaccine and/or Cash Support signed between the Republic of Ghana (represented by the Ministry of Health) and the GAVI Alliance stipulates that GAVI funds provided under the Agreement shall not be used to pay any taxes, customs duties, toll, or other charges imposed on the importation of vaccines and related supplies.

The Committee was informed that the unlikely failure to grant the instant waiver request could result in the

- i. Possibility of Development Partners withholding support for these essential commodities.
- ii. Cancellation of orders for procurement of the health and non-health commodities.
- iii. Delays in clearance of the commodities, leading to the reduction in the potency of the commodities, payment of huge demurrage/storage and rent charges.

### **5.5. Waiver Horizon**

The Committee noted that in view of the agreements between Ghana and the Global Fund and between Ghana and GAVI Alliance, the Ministry of Health has since 2021 been receiving donations in relation to the relevant programmes with the expectation that the donations will continue until the expiration of the programmes.

The instant tax waiver request hence covers the donations for the donations received from 2021 to date and all subsequent donations to the health sector until the programmes end.

### **5.6. Downward Revision of the Amount to be Waived**

The Committee noted that the taxes and duties requested to be waived include AU Levy, ECOWAS Levy and Inspection Fees. The

Committee however was of the opinion that in view of the provisions of the Exemptions Act, 2022 (Act 1083), those levies and fees should not be included in the waiver.

The Committee therefore agreed with the Ministry of Finance to exclude these levies and fees, and thereby reducing the waiver amount to the **Ghana Cedi equivalent of Eighty-Nine Million, Eight Hundred and Ninety-two Thousand, Nine Hundred and Forty-Six Euros and Fifty-Seven Cents (€89,892,946.57)** [made up of €60,372,196.50 for Global fund and GAVI alliance and €29,520,750.07 for other Development Partners] and to recommend this reduced amount to the House for approval.

**ATTACHMENT: Please find attached as APPENDIX the details of the revised taxes and duties to be waived as assessed by the Ghana Revenue Authority (GRA).**

## **6.0. CONCLUSION**

In view of the foregoing observations and the critical need for vaccines, medicines and equipment for the realization of health and related outcomes for the people of Ghana, the Committee respectfully recommends to the House to adopt this report and *approve by resolution*, the **request for waiver of Import Duty, Import NHIL, Import GETFund Levy and Import VAT** amounting to the Ghana Cedi equivalent of **Eighty-Nine Million, Eight Hundred and Ninety-two Thousand, Nine Hundred and Forty-Six Euros and Fifty-Seven Cents (€89,892,946.57)** [made up of €60,372,196.50 for Global Fund and GAVI Alliance and €29,520,750.07 for other Development Partners to the Ministry of Health] for medical supplies including vaccines, medicines, equipment and vehicles to support the health sector for the period 2021 – 2023 in accordance with Article 174(2) of the 1992 Constitution of the Republic of Ghana.

Respectfully submitted.



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



.....  
**MRS. JOANA A.S. ADJEI**  
**(CLERK TO THE COMMITTEE)**

21<sup>ST</sup> MARCH, 2023

