

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 (IDA) OF THE WORLD BANK GROUP FOR
AN AMOUNT OF ONE HUNDRED AND FIFTY MILLION UNITED STATES
DOLLARS (US\$150,000,000.00) TO FINANCE THE PRIMARY HEALTHCARE
INVESTMENT PROJECT.

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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 (IDA) of the World Bank Group (WBG) for an amount of One Hundred and Fifty Million United States Dollars (US\$150,000,000.00) to finance the Primary Healthcare Investment Project was presented to the House on Friday 11th 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

Ghana has achieved significant improvements and made significant progress in key health and nutrition outcomes in the last two decades. Significant among these achievement is the decrease in under-five mortality rate from 80 per 1,000 in 2008 to 56 in 2017-18 and a decline in the prevalence of stunting among under-five children from 28 percent in 2008 to 18 percent in 2017-18.

Maternal mortality ratio also declined from 470 per 100,000 births in 2005 to 310 in 2017 while total fertility rate declined from 4.4 in 2008 to 3.9 in 2017.

Despite these progress, the structural challenges of the country's health system persist thereby limiting the speed of progress. Significant among these is the socio-economic inequalities in health and nutrition outcomes. At the same time, Ghana faces a dual burden of disease as the incidence of non-communicable diseases (like hypertension, cardiovascular disease, diabetes and cancers) continue to increase and is estimated to account for about half of all deaths.

Amidst these challenges and aiming at improved health outcomes, the Government in recent years is increasing primary health care service coverage, more especially serving the poor. These efforts are targeting further gains in the coverage, equity and quality of primary health care services to improve utilization of family planning services, address high fertility rate among adolescents and reduce the high risk of maternal and neonatal mortality.

To ensure that the health systems continue to remain resilient the Government of Ghana with funding support from the International Development Association (IDA) have designed a programme to further strengthen the country's Response to Public Health Emergencies and improve the quality, utilization and equity of Primary Health Care Services.

4.0. JUSTIFICATION FOR THE PROJECT

The emergence of COVID-19 pandemic has exposed the gaps in the national response to public health emergencies especially the preparedness of the primary healthcare system to respond to emergencies.

Strengthening primary health care services is central to improving healthcare delivery and extending health services to the citizen. An improved primary healthcare system will ultimately mitigate the impact of the COVID-19

pandemic and prepare the health system to effectively respond to future public health emergencies. In recognition of the contribution of the primary healthcare system to promoting quality healthcare, the Government with support from the IDA is embarking on a project to strengthen primary healthcare delivery in Ghana. The programme development objective is aligned to the objectives of the National Health Policy and the Health Sector Medium Term Development Plan for 2022-25 that will operationalize Ghana's Universal Health Coverage Roadmap. Ghana's Community-based Health Planning and Services (CHPS) strategy has increased service coverage, particularly for the poor. However, to achieve Universal Health Coverage by the year 2030, additional efforts are needed to improve utilization and quality of primary health care services.

Additionally, the programme is aligned to the Universal Health Coverage (UHC) roadmap and the National Action Plan for Healthy Security (NAPHS), resonates with various global initiatives such as the Sustainable Development Goal 3 (SDG 3), "Good Health and Well-being" principles of the African Union Agenda 2063, Astana Declaration on Primary Health Care (PHC) (2018), UHC 2030 Compact, and the UHC Political Declaration adopted at the UN High Level Meeting in September 2019. The programme will also offer opportunity for GoG to build on the global experience to create an effective primary health care networking model in Ghana.

Ultimately, the programme is designed to provide results in terms of utilization, quality, and equity of services that will benefit from networking of primary health care services. Notably, investing in service delivery capacity and improving linkages between levels of care to improve maternal and neonatal care, expansion of family planning and adolescent health services; and development of non-communicable disease services at the primary level.

5.0. TERMS AND CONDITIONS OF THE FACILITY

The Financing Agreement between the Government of the Republic of Ghana and the International Development Association (IDA) for an amount of One Hundred and Fifty Million United States Dollars (US\$150,000,000.00) to finance the Primary Healthcare Investment Project is an IDA blended facility with the following terms:

Loan Amount	US\$150.0 million
Repayment Period	25 years
Grace Period	5 years
Maximum Commitment Charge	0.5 - One-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance, it is currently waived.
Service Charge	1.31% - sum of three-fourths 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 Primary Healthcare Investment Project is aims to improve primary healthcare delivery in Ghana. The programme will be implemented through Government's regular oversight, planning, budgeting, and implementation systems.

At the strategic level, the structures and processes established under the Common Management Arrangements at the Ministry of Health will be responsible for oversight and coordination of the programme. The Health

Sector Working Group comprised of the Minister and Deputy Ministers for Health, the Chief Director, Directors at the Ministry of Health, Heads of Agencies (including the Ghana Health Service and the National Health Insurance Authority), and representatives of Development Partners.

The Secretariat of the Health Sector Working Group is the Policy, Planning, Monitoring and Evaluation Directorate of the Ministry of Health. The Secretariat Plans and budgets for implementation of the programme will be incorporated in the 2022-25 Health Sector Medium Term Development Plan and Medium-Term Expenditure Framework, as well as the Annual Programs of Work and annual national budget for the health sector, including the National Health Insurance Fund Allocation Formula.

The main financing instrument for the facility will be Programme for Results (PforR), which will use Ghana's institutions and processes, and linking disbursement of funds (Disbursement-Linked Indicators-DLIs) directly to the achievement of specific program results (Disbursement-Linked Results-DLR). However, the Technical Assistance component of the programme will follow the World Bank's investment project financing (IPF).

The PforR will require creation of a Verification Oversight Committee. The Ministry of Health's regular inter-agency coordination structure will be responsible for regular monitoring of the DLIs and coordination on DLI reporting and verification. A Verification Oversight Committee will be established to ensure the independence of the verification function. It will be composed of notable individuals from academia and the non-governmental sector and will be responsible for reviewing verification reports prior to transmission to Government.

7.0. OBSERVATION

7.1. Application of the Facility

The Committee noted that notwithstanding the significant progress made by Ghana in improving healthcare delivery, the health sector is confronted with a number of challenges. Significant among these is the need to improve and sustain progress made in health outcomes especially in primary healthcare. The Committee noted that despite the progress made in improving health indicators, the health system is confronted with myriad of challenges especially those relating to socio-economic inequalities in health and nutrition outcomes. In an attempt to address these challenges and aiming at improving health outcomes, the Government in recent years is increasing primary health care service coverage, more especially serving the poor. These efforts are targeting further gains in the coverage, equity and quality of primary health care services to improve utilization of family planning services, address high fertility rate among adolescents and reduce the high risk of maternal and neonatal mortality. In this regard, the government entered into a financing agreement with IDA for an amount of One Hundred and Fifty Million United States Dollars (US\$150,000,000.00) to increase investment in Primary Healthcare delivery in Ghana.

8.0. CONCLUSION

The Committee after a careful examination of the referrals is of the view that the implementation of the program would improve primary healthcare delivery and strengthen the country's health system and make it robust to withstand health emergencies.



The Minority Members of the Committee however, expressed their concerns about the impact of the facility on the country's debt position. They argue

amongst others that approval of the facility would worsen the country's debt position and make it unsustainable. The also expressed concern about the proportion of the facility that is dedicated to consultancy service arguing that significant proportion would not be channeled into the critical investments needed to improve primary healthcare delivery especially in the rural areas. In the light of the above, the Minority group on the Committee is unable to support the facility.

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 (IDA) of the World Bank Group (WBG) for an amount of One Hundred and Fifty Million United States Dollars (US\$150,000,000.00) to finance the Primary Healthcare Investment 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)

21st December, 2022