

**REPORT OF THE FINANCE COMMITTEE ON THE REQUEST FOR THE
WAIVER OF IMPORT DUTIES, IMPORT VAT/ GETFUND LEVY, IMPORT
NHIL, ECOWAS LEVY, EXIM LEVY, SPECIAL IMPORT LEVY AMOUNTING
TO THE GHANA CEDI EQUIVALENT OF EIGHT HUNDRED AND TWO
THOUSAND, TWO HUNDRED AND SIXTY-TWO EUROS (€802,262.00) ON
PROJECT MATERIALS AND EQUIPMENT TO BE IMPORTED FOR THE
IMPLEMENTATION OF THE “SERVICES FOR THE ENHANCEMENT OF
NATIONWIDE WATER NETWORK MANAGEMENT” PROJECT BY THE
GHANA WATER COMPANY LIMITED**

1.0 INTRODUCTION

The request for the waiver of Import Duties, Import VAT/ GETFund levy, Import NHIL, ECOWAS Levy, EXIM Levy, Special Import Levy amounting to the Ghana Cedi equivalent of Eight Hundred and Two Thousand, Two Hundred and Sixty-Two Euros (€802,262.00) on project materials and equipment to be imported for the implementation of the “Services for the Enhancement of Nationwide Water Network Management” Project by the Ghana Water Company Limited (GWCL) was laid in the House on Wednesday, 30th January, 2019 in accordance with Article 174(2) of the Constitution, and referred to the Finance Committee for consideration and report pursuant to the Standing Orders of the House.

The Committee met with the Minister for Sanitation and Water Resources, Hon. Cecilia Abena Dapaah, the two Deputy Ministers for Sanitation and Water Resources, Hon. Patrick Yaw Boamah and Hon. Michael Yaw Gyato, a Deputy Minister for Finance, Hon. Kwaku Kwarteng and officials from the Ministry of

Finance, Ministry of Sanitation and Water Resources and the Ghana Revenue Authority to consider the request.

2.0 REFERENCE DOCUMENTS

The Committee referred to the following documents in its deliberations:

- The 1992 Constitution of Ghana;
- The Public Financial Management Act, 2016 (Act 921);
- The Standing Orders of the Parliament of Ghana;
- The Export Credit Agreement between the Republic of Ghana and UniCredit Bank Austria AG for an amount of Eight Million Euros (€8,000,000) for the Execution of the Nationwide Water Network Management Project; and
- The Tax Assessment by the Ghana Revenue Authority

3.0 BACKGROUND

As part of efforts to improve service delivery, the Government of Ghana is assisting the Ghana Water Company Limited (GWCL) to procure a Geographic Information System (GIS) in Hydraulic Network Modeling (HNM) Technology to improve its operations.

The project involves the establishment of a GIS for some of the regional offices of GWCL as well as facilitating proper planning and maintenance of the systems, improvement of revenue collection and public relation support of the company.

This will be achieved through the use of modern geo-referenced database information technologies, which will additionally enhance the quality of the administration of the company, as well as water service delivery to the general public. GWCL will also acquire, or possibly develop digital maps of the regions and demographic data for this project in addition to all relevant hardware, software and training requirements.

It is noted that rapid advancement in technology continues to exert its strong effect on GIS planning processes in both hardware and software. Building and maintaining a GIS and Hydraulic Network model is an investment which encompasses gathering and maintaining quality data, creating manageable workflows, providing hardware and software and user training and technical support. The effective management and control of this investment is therefore an essential part of improving accountability, financial efficiency, risk management and relationships with users.

In order to successfully implement this project, the Government of Ghana has entered into an Export Credit Agreement with UniCredit Bank Austria AG for an amount of Eight Million Euros (€8,000,000) to procure this technology, among others for the GWCL to execute a nationwide water network management project. The agreement was approved by Parliament on Monday, 18th December, 2017.

Point 3 of C.2.2 of the Contract Agreement for Supply, Work and Services provides that the contract price does not include any taxes, duties, customs or similar imposts levied in the country of the client. In order to successfully implement this project, there is the need to waive taxes and duties applicable.

It is in this regard that the request for the waiver of tax and duties has been submitted to Parliament in accordance with Article 174 of the 1992 Constitution of Ghana.

4.0 THE REQUEST

The request before Parliament is for the waiver of Import Duties, Import VAT/GETFund levy, Import NHIL, ECOWAS Levy, EXIM Levy, Special Import Levy, amounting to the Ghana Cedi equivalent of Eight Hundred and Two Thousand, Two Hundred and Sixty-two Euros (€802,262.00).

4.1 Assessment of Duties, Taxes and Levies

A breakdown of the tax assessment undertaken by the Ghana Revenue Authority (GRA) is provided in Table 1 below:

Table 1: Breakdown of Tax Assessment by GRA

	Item	Amount (€)
1	IMPORT DUTY	208,406
2	IMPORT VAT/GETFUND	446,761
3	IMPORT NHIL	77,794
4	ECOWAS LEVY	14,517
5	EXIM LEVY	221,775
6	SIL	13,000
	TOTAL	802,262

Attached as APPENDIX is the details of tax assessment.

5.0 OBSERVATIONS

5.1 Rationale for the Project

The Committee was informed that the project would support GWCL to:

- develop a plan for systematic measurement and reduction of non- revenue water within the service area;
- develop an area map for flow control and the effective management of Districts to the walk and cycle level;
- locate the strategic assets, conditions of the assets, develop applications and remotely manage these assets;
- increase revenue collection; and
- ensure sustainable potable water services delivery.

5.2 Update on the Project

The Committee was made aware that the project was at the early stages of implementation. Procurement activities are being undertaken.

5.3 Benefits of the Project

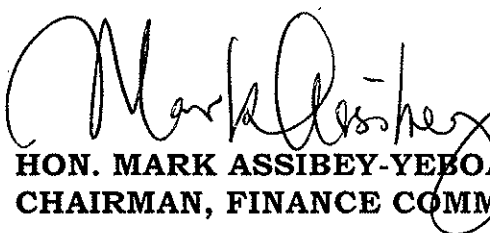
The Committee noted that when completed, the project would enable GWCL to properly plan and maintain its systems, improve revenue collection, reduce non-revenue water, and improve public relation support of the company.

6.0 CONCLUSION

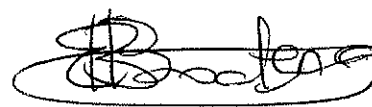
Considering the benefits to be derived from the project, the Committee is of the view that the request is in the right direction.

The Committee therefore recommends to the House to adopt its report and to approve the request for the waiver of Import Duties, Import VAT/ GETFund levy, Import NHIL, ECOWAS Levy, EXIM Levy, Special Import Levy amounting to the Ghana Cedi equivalent of Eight Hundred and Two Thousand, Two Hundred and Sixty-Two Euros (€802,262.00) on project materials and equipment to be imported for the implementation of the “Services for the Enhancement of Nationwide Water Network Management” Project by the Ghana Water Company Limited (GWCL) in accordance with Article 174(2) of the Constitution, the Public Financial Management Act, 2016 (Act 921) and the Standing Orders of Parliament.

Respectfully submitted.



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



EVELYN BREFO-BOATENG
CLERK TO THE COMMITTEE

7th February, 2019

ENHANCEMENT OF NATIONWIDE WATER NETWORK MANAGEMENT

No.	Description of Goods	Qty (pcs)	CIF (euro)	I/D rate	import duty	import VAT	import NHIL	ECOWAS Levy	EXIM	S.I.L.	TOTAL (EURO)
A1	SOFTWARE										
A1.1	ARGIS,VERSION 10	13	130,000	5%	6500	20475	3413	650	975	0	32,013
A1.2	NESEI HYDRAULIC MODELLING	5	59,375	5%	2969	9352	1559	297	445	0	14,622
A1.3	AUTO CAD	11	68,750	5%	3438	10828	1805	344	516	0	16,931
A1.4	SERVER SOFTWARE	11	20,625	5%	1031	3248	541	103	155	0	5,078
A1.5	MS OFFICE	46	28,750	5%	1438	4528	755	144	216	0	7,081
A1.6	ARCSDE DANTENBANK SERVER	1	50,000	5%	2500	7875	1313	250	375	0	12,313
A2	HARDWARE										
A2.1	GPS RECEIVER	22	371,250	5%	18563	58472	9745	1856	2784	0	91,420
A2.2	GPS BASIS STATION	9	191,250	5%	9563	30122	5020	956	1434	0	47,095
A2.3	SERVER	11	137,500	5%	6875	21656	3609	688	1031	0	33,859
A2.4	WORKSTATION	22	55,000	5%	2750	8663	1444	275	413	0	13,545
A2.5	AO PHOTOGRAMMETRIC SCANNER	3	37,500	5%	1875	5906	984	188	281	0	9,234
A2.6	AO PLOTTER	11	96,250	5%	4813	15159	2527	481	722	0	23,702
A2.7	PHOTOCOPIER-A3	11	96,250	10%	9625	15881	2647	481	722	0	29,356
A2.8	BLACK & WHITE PRINTER	11	8,250	5%	413	1299	217	41	62	0	2,032
A2.9	PROJECTOR/LARGE SCREEN DISPLAY	11	27,500	20%	5500	4950	825	138	206	0	11,619
A2.10	A3 COLOUR PRINTER	11	8,938	5%	447	1408	235	45	67	0	2,202
A2.11	EXTERNAL HARD DISK	11	2,750	5%	138	433	72	14	21	0	678
A2.12	LAPTOP	11	34,375	5%	1719	5414	902	172	258	0	8,465
A2.13	LAN SUPPORT	11	110,000	5%	5500	17325	2888	550	825	0	27,088
A2.14	DIGITAL CAMERAS	11	4,125	20%	825	743	124	21	31	0	1,744
A2.15	GPS HANDHELP (TRIMBLE NOMAD)	11	31,625	5%	1581	4981	830	158	237	0	7,787
A2.16	UPS POWER SUPPLY (30MINS)	11	9,625	5%	481	1516	253	48	72	0	2,370
A3	INSTRUMENTS FOR LEAK DEECTION, FLOW AND PRESSURE MEASUREMENT										
A3.1	PRESSURE LOGGERS,SEWAD 30 WITH CASING	70	86,625	10%	8663	14293	2382	433	650	0	26,421
A3.2	ULTRA SONIC FLOW METER, FLEXIM 601	32	279,600	10%	27960	46134	7689	1398	2097	0	85,278
A3.3	WALL THICKNESS METER,TD225 US	12	7,425	10%	743	1225	204	37	56	0	2,265
A3.4	LEAK DETECTION INSTRUMENT, HL5000 PRO SET	11	50,875	10%	5088	8394	1399	254	382	0	15,517
A3.5	CORRELATOR-P 2PRO	4	42,452	10%	4245	7005	1167	212	318	0	12,947
A3.6	METALLIC PIPE TRACING EQUIPMENT VLOG PRO 2	4	18,500	10%	1850	3053	509	93	139	0	5,644
A3.7	PRESSURE LEVEL INDICATOR	5	8,720	10%	872	1439	240	44	65	0	2,660
A3.8	SLIDE ROD LOCATOR VM880	4	4,452	10%	445	735	122	22	33	0	1,357
A4	DATA										
	DIGITAL MAPS & SATELLITE IMAGES										
A4.1	SCALE>1:2500		150,000	10%	15000	24750	4125	750	1125	3000	48,750
1.2	PICKUPS	10	250,000	5%	12500	39375	6563	1250	1875	5000	66,563
1.3	LEAK REPAIR MATERIAL		250,000	10%	25000	41250	6875	1250	1875	5000	81,250
6	PREPAID METER SUPPLY AND INSTALLATION										
6.1	SUPPLY OF PREPAID METERS	2000	175,000	10%	17500	28875	4813	875	1313	0	53,376
TOTAL			2,903,337		208,410	466,762	77,796	14,518	21,776	13,000	802,262