

REPORT OF THE COMMITTEE ON DEFENCE AND INTERIOR ON THE 2019 ANNUAL ESTIMATES OF THE MINISTRY OF DEFENCE

1.0 INTRODUCTION

Further to the presentation of the 2019 Budget Statement and Economic Policy of the Government by the Hon. Minister for Finance on Thursday, 15th November, 2018, the Annual Estimates for the Fiscal year 2019 of the Ministry of Defence was referred to the Committee on Defence and interior for consideration and report. Pursuant to Orders 140 (4) and 158 of the Standing Orders of the House and Article 179 of the 1992 Constitution.

1.1 COMMITTEE SITTING

The Committee met on Tuesday, 12th December, 2018, with the Hon. Minister of Defence, Mr. Dominic A. Nitiwul, the Hon. Deputy Minister for Defence, Mr. Derek Oduro, Senior Officers of the Military High Command, as well as officials of the Ministries of Defence and Finance to deliberate on the 2019 budget of the Ministry.

The Committee is grateful to the Hon. Minister of Defence and all the officials for their cooperation.

2.0 REFERENCE DOCUMENT

The following documents were used as reference guide during the Committee's deliberations:

- a. The 1992 Constitution
- b. The Standing Orders of the Parliament
- c. The Budget Statements and Economic Policy of the Government of Ghana for the December 2018 financial year.
- d. The Budget Statements and Economic Policy of the Government of Ghana for the December 2019 financial year.
- e. The Draft Annual Estimates of the Ministry of Defence for the 2019 financial year.

3.0 BACKGROUND

The Ministry of Defence (MOD) exists to formulate and implement national defence policies relating to internal and external security and the total defence of the nation including,

defending the territorial integrity of Ghana by land, sea and air. Its goal is to ensure security and adequate protection of life, property and the rights of all nationals, especially the vulnerable and excluded within a democratic environment.

The Ministry's operations cover the following agencies:

- (a) Ministry of Defence Headquarters (MOD HQ)
- (b) General Headquarters (GHQ) of the Ghana Armed Forces
- (c) Ghana Army
- (d) Ghana Navy
- (e) Ghana Air Force
- (f) Ghana Armed Forces Command and Staff College (GAFSCS)
- (g) Military Academy & Training School (MATS)
- (h) Kofi Annan International Peacekeeping Training Center (KAIPTC)
- (i) Veterans Administration, Ghana
- (j) 37 Military Hospital (37)
- (k) Defence Advisors

4.0 **KEY ACHIEVEMENTS FOR 2018**

The Ministry of Defence encountered some challenges in implementing some of its programmes, projects and general operations during the 2018 financial year. However, it was able to achieve its optimal objective of defending territorial boundaries and perform other administrative activities. Some of the key achievements among others are as follows:

- i. The Ministry amended the Ghana Armed Forces (GAF) Regulations 1986 (LI 1332), in respect of prolongation of service, from the service period of twenty-five (25) years to thirty (30) years
- ii. Provided surveillance of Ghana's airspace and borders, and arrest of boats and personnel involved in oil bunkering on high seas
- iii. Collaborated with other Security Agencies to combat violent crimes and checked illegal logging and mining to control environmental degradation (Operation COWLEG, CALM LIFE, HALT, GONGGONG)
- iv. Ghana Armed Forces (GAF) contributed about 2,476 troops with equipment towards international peace efforts and commissioned 255 Officer Cadets into the (GAF)
- v. A total of 1,284 other Ranks recruited in 2017 have passed out as at June 2018 and 1050 are still under training to pass out by January 2019. GAF conducted

- operational level training for 84 Staff Officers at Junior Staff Course at the GAFSC. 63 Senior Officers graduated from Senior Staff Course at GAFSC as at September 2018
- vi. Provided assistance to civil authority to maintain law and order across the country
 - vii. Counter Terrorism Exercise (Ex HOME SHIELD) was conducted on 30th November 2018 with other Security Agencies
 - viii. Internal Security Exercise (Ex KOUDANLGOU 2) to flush out cross border miscreants along Ghana's borders conducted with security services of Togo, Burkina Faso and Cote d'Ivoire
 - ix. Through the United Accord, 295 Ghana Armed Forces (GAF) and 285 United States (US) troops successfully conducted a joint training exercise in August 2018 to be combat ready
 - x. Internal Security Operation (Op CONQUERED FIST) ongoing anti-terrorist operation in Northern Ghana
 - xi. Operation VANGUARD aimed at reducing illegal mining and environmental degradation still ongoing in various regions. 1,482 illegal miners arrested, 271 weapons and 1,777 ammo seized, 287 excavators seized, 1,070 immobilised and 2,300 other mining equipment seized as at August 2018
 - xii. Under Operation ROADSTAR, 48 Engineer Regiment constructing 40 acre Cattle Ranch to accommodate over 4,000 cattle at Wawase, Afram Plains as part of measures to stop perennial Fulani Herdsmen menace
 - xiii. 20% level of deployment achieved by Navy for the establishment of Forward Operating Base (FOB) for oil security
 - xiv. Construction works of a 500 bed capacity Military Hospital in Kumasi is still underway. Presently about 70% of structural work is completed, however overall works done is about 50% complete
 - xv. Construction of accommodation block in Burma Camp as part of the Barracks Regeneration

4.1 **PERFORMANCE REVIEW OF FISCAL YEAR 2018**

Expenditure Analysis – Variance Analysis

The total appropriated budget for the ministry was GH¢ 1,005,613,029. Out of this, only GH¢ 797,928,004.07 has been released to the Ministry, implying an outstanding balance of

GH¢207,685,024.93 absence of which could cripple the smooth functioning of the Ministry.

The table below shows a summary of the releases that was made to the Ministry:

Table 1: TOTAL ALLOCATION for 2018

	ECONOMIC CLASSIFICATION	2018 BUDGET PROVISION (GH¢M)	ACTUAL RELEASES (GH¢M)	ACTUAL EXPENDITURE	VARIANCE (%)
1	Compensation of Employees	871,424,402.00	649,482,004.08	638,125,237.24	25.45
2	Goods & Services	59,174,310.00	117,370,853	96,625,630.00	(98.34)
3	Capital Expenditure (CAPEX)	60,000,000	15,147,477.23	15,147,477.23	74.75
4	Retained IGF	15,014,317.00	15,727,669.76	13,968,749.84	(4.75)
5	Donor /Loans	-	-	-	
TOTAL		1,005,613,029.00	797,928,004.07	763,867,094.31	-

TABLE 2: IGF BREAKDOWN AS AT SEPTEMBER 2018

	COST CENTRE	AMOUNT (GH¢)	AMOUNT (\$)	REMARKS Dollar Rate @ GH4.5
1	Army (Ghana Chamber of Mines)	248,340.00		
2	Navy: Dockyard Services	167,664.00		
	Berthing Services	352,478.23		
	Bunkering Services	63,388.26		
	Ground Rent	45,724.55		
	Ops Jubilee		432,000.00	
	Sub Total	629,255.04	432,000.00	
3	Air Force: Lease (Hanger Space)		230,000.00	
	Land Fees	50,000.00	62,520.00	
	Aircraft Hiring	283,506.62	20,000.00	
	Sub Total	333,506.62	312,520.00	
4	37 Military Hospital	19,424,315.42		
	TOTAL	20,635,417.08	744,520.00	3,350,340.00
GRAND TOTAL		23,985,757.08		

5.0 OUTLOOK FOR 2019

For the 2019 financial year, the Ministry has outlined a number of programmes and activities. These include:

- Commencement of works on Phase II of the Barracks Regeneration Project, Phase III of the 37 Military Hospital in Accra as well as continuation of works on SSNIT projects and rehabilitation works at the Base Ammunition Depot (BAD)
- Completion of the new 500 bed Military Hospital at Afari near Kumasi
- Establishment of Database of all Military Lands and Properties to facilitate documentation and also continue with the Securing of Military Lands
- Regulate the length of service of soldiers and associated Career Progression Plan
- Acquire Armoured Personnel Carriers to help in Internal Operations
- Train and Equip the Special Forces Units to counter terrorism in the Sub-Region and conduct training at all levels for Officers, Men and Women
- Provide surveillance for Ghana's Airspace and International Borders
- Initiate the promulgation and establishment of a Cyber Warfare Unit within GAF
- Upgrade of MOD/GAF ICT infrastructure to enhance the application of ICT in National Development
- Liaise with government to complete the Cattle Ranch project to accommodate up to 12,000 cattle at Wawase, Afram Plains as part of the measures to stop the perennial Fulani Herdsmen menace
- Acquire equipment and standby troops to be readily available for quick deployment on International Peace Support Ops (Peacekeeping Capability Readiness System-PCRS)

5.1 BUDGET ALLOCATION FOR 2019 FISCAL YEAR

The total allocation to the Ministry of Defence for the 2019 fiscal year is ***One Billion, Two Hundred and Seventy-Three Million, Nine Hundred and Sixty-Four Thousand, Two Hundred and Fourteen Ghana Cedis (GH¢ 1,273,964,214)***. This represents 1.8% of national expenditure, a 2% increase of that of 2018.

GoG is funding a great proportion of the allocations to the Ministry with about 95%, while IGF is supporting with 2% with about 4% funded by donor partners. Management and

Administration received least of the allocations (1% of allocations). About 5% is funding Armed Forces Capacity Building while the remaining 94% is funding activities and operations of the Ghana Armed Forces. It is interesting to note that in previous years, the Armed Forces Capacity Building Program consistently received less of allocations.

a. PROGRAMME 1: MANAGEMENT AND ADMINISTRATION

The Ministry will formulate and implement National Defence Policies relating to peacekeeping, internal and external security and the total defence of the nation. The programme will coordinate the preparation and defence of the budget of the Ministry and facilitate the capacity building of its human resources. The program would cover all support services offered by the Defence Headquarters and its departments through the delivery of five sub-programmes. An amount of **GH¢17,467,968.00** has been allotted for this programme.

b. PROGRAMME 2: THE GHANA ARMED FORCES

The Ghana Armed Forces, which comprises General Headquarters, the Army, Navy and Air Force have been provided an amount of **GH¢1,198,401,775**. This amount will enable the Ghana Armed Forces continue the defence of the territorial integrity of Ghana by land, sea and air against internal and external aggression.

c. PROGRAMME 3: GHANA ARMED FORCES CAPACITY BUILDING

This programme has been allocated **GH¢58,094,471** to implement the Ghana Armed Forces Training Policy as directed by the Chief of the Defence Staff (CDS). The Military Academy and Training Schools (MATS), Ghana Armed Forces Command and Staff College (GAFCS) and Kofi Annan International Peacekeeping Training Centre (KAIPTC) have been mandated to undertake this programme.

The Budgetary allocation for the aforementioned three (3) main Programmes is shown in the table below:

Table 3 TOTAL BUDGET ALLOCATION OF FUNDS FOR THE PROGRAMMES OF THE MINISTRY OF DEFENCE

PROGRAMMES	GoG	IGF	DONORS	TOTAL
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MANAGEMENT & ADMINISTRATION	17,467,968	0	0	17,467,968
GHANA ARMED FORCES	1,130,916,995	19,384,780	48,100,000	1,198,401,775
ARMED FORCES CAPACITY BUILDING	58,094,471	0	0	58,094,471
Total	1,206,479,434	19,384,780	48,100,000	1,273,964,214

With respect to economic classifications, about 85% of the total allocations to the Ministry is funding Compensation of Employees. 10% has been allocated the provision of Goods and Services while the remaining 6% (approx.) is funding Capital Expenditure and Assets.

Out of the GH¢ 123,586,722 funding for the provision of Goods and Services, 45% is sourced from GoG, 16% from IGFs and 39% from donor partners. Compensation of Employees and allocations for Assets are completely funded by GoG.

The performance of the total Ministry's allocation against major macroeconomic elements are as follows; 0.4% on GDP, 1.8% on national expenditure, 3.3% for MDA allocation and 2.2% on domestic revenue.

Below is the economic classification for the 2019 budget allocation to the Ministry:

TABLE 4: ECONOMIC CLASSIFICATION – APPROVED BUDGET FOR 2019

ECONOMIC CLASSIFICATION	GOG	IGF	DONOR	TOTAL
COMPENSATION	1,079,127,492	-		1,079,127,492
GOODS AND SERVICES	56,101,942	19,384,780		75,486,722
CAPEXZD	71,250,000		48,100,000	119,350,000
TOTAL	1,206,479,434	19,384,780	48,100,000	1,273,964,214

7.0 OBSERVATIONS

• MILITARY BARRACKS

The Committee observed that a number of the existing barracks were built from colonial times and have since dilapidated. These barracks served functions of the colonial

government and their use was transitioned to serve the purposes of the Ghana Armed Forces. A great number have since remained the way they were, harboring death traps and simply unfit for continual use. It is necessary to renovate these barracks and equip them with the logistics and aesthetic impressions.

- **FOOD AND FUEL VOTE**

The Committee noted that the Ministry has budget constraints, in respect of allocations for food and fuel. The vote for food and fuel is drawn from the allocation for Goods and Services, a situation which constituted issues of dire concern as the Ministry was struggling to meet the demand in the face of budget cuts and insufficiencies. The Ministry's need for adequate food and fuel cannot be emphasized enough, given the consensus of the Committee on what purposes it serves. The Committee the following;

- **Establish a separate vote for the Food and Fuel Bills, such a vote as would be distinct from the Goods and Services vote of the Ministry's budget. The Food and Fuel bills should be treated as national in character; or**
- **Increase the Ministry's Good and Services vote to align with its realistic food and fuel budget requirement. Such an increase should exhaustively deal with the challenge of the Ministry as identified.**

- **ENTITLEMENT TO HEALTH CARE**

The Committee observed that the Ministry was experiencing severe pressure on its budgetary allocation due to the entitlement of servicemen and ex-servicemen with their families to health care. The Committee was informed that in view of the fact that Servicemen and Ex-servicemen do not immediately pay hospital bill, the Ministry is constrained with respect to having available funds to operate the military hospital and its agencies.

- **FACELIFT OF MILITARY HOSPITAL**

The Committee was informed that the military hospital requires extensive facelift and renovation. The hospital has developed urgent need of revamp, given the fact that it was built a very long time ago and has not seen the periodic renovations it requires. The aesthetic value and impressions of the hospital is a tool that cannot be undermined under any given circumstance. Also the Ministry has to repair or replace some of its broken down

hospital equipment including the MRI machine to enable the 37 Military hospital provide effective and efficient healthcare to both the Military and Civilians.

• **OUTSTANDING DEBTS**

The Committee whiles noting the resources constraint of government, having regard to revenue inflows and the corresponding demands by key sectors of the economy, took note of the critical requirements of the Ministry as indicated in the Table below. The Committee noted in particular that the Ministry has outstanding debt relating to operational issues. These commitments in the form of debt need to be settled if the Ministry is to continue to discharge its security functions. It is therefore, incumbent on government to find resources to enable the Ministry honour this indebtedness.

TABLE 5: CRITICAL REQUIREMENTS

	DETAILS	GH¢	\$	£	REMARKS
1	Clothing and Necessaries	33,516,963.00			-
2	Feeding	83,076,963.00			18,010,817.93
3	Fuel				
4	Drugs and Dressings	10,000,000.00			3,950,000.00
5	Defence Advisors	11,500,000.00			5,000,000.00
6	Vehicles Spares	15,095,531.00			2,000,000.00
7	Ships Spares	18,000,000.00			2,000,000.00
8	Aircraft Spares	20,000,000.00			3,000,000.00
9	Rent	1,578,898.00			-
10	Cyber Warfare Unit	15,000,000.00			-
11	'G' Controlled Stores	70,000,000.00			29,275,000.00

12	Utility Bills				
13	SSNIT Projects	40,000,000.00			8,000,000.00
14	Barracks Regeneration	14,000,000.00			3,000,000.00
15	Barracks Roads			11,125,000.00	
16	Electrification Projects		17,500,000.00		

8.0 CONCLUSION

The Committee, has critically examined the Budget Estimates of the Ministry of Defence for the 2019 financial year and is of the view that this meagre budgetary allocation to the Ministry will adversely affect their operations and have a negative long-term effect on its performance. The Committee accordingly entreats the House to urge the Government to take immediate steps to address the huge shortfalls.

In conclusion, the Committee recommends that this House approves the sum of *One Billion, Two Hundred and Seventy-Three Million, Nine Hundred and Sixty-Four Thousand, Two Hundred and Fourteen Ghana Cedis (GH¢ 1,273,964,214)* for the services of the Ministry of Defence for the ensuing financial year, 2019.



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HON. SETH K. ACHEAMPONG
CHAIRMAN
COMMITTEE ON DEFENCE &
INTERIOR



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EDITH EDILYN ADJEI
CLERK
COMMITTEE ON DEFENCE
INTERIOR