

IN THE THIRD SESSION OF THE SEVENTH PARLIAMENT OF THE FOURTH  
REPUBLIC OF GHANA

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**REPORT OF THE  
FINANCE COMMITTEE**

**ON THE**

**PROGRAMME BASED BUDGET ESTIMATES  
FOR THE  
MINISTRY OF BUSINESS DEVELOPMENT  
*FOR THE 2020 FINANCIAL YEAR***

**DECEMBER 2019**

## **1.0 INTRODUCTION**

The *Programme Based Budget Estimates for the Ministry of Business Development for the 2020 financial year* were laid in the House on Wednesday 13<sup>th</sup> November, 2019 and referred to the Finance Committee for consideration and report in accordance with Article 179 of the Constitution and order 140 (4) of the Standing Orders of the House. This followed the presentation of the Budget Statement and Economic Policy of the Government for the 2020 Financial Year by the Minister for Finance, Hon. Ken Ofori-Atta.

The Hon. Minister for Business Development, Alhaji Dr. Ibrahim Mohammed Awal and officials from the Ministries of Finance and Business Development attended upon and assisted the Committee in its deliberations on the Estimates.

The Committee expresses its gratitude to the Hon. Minister and the officials for attending upon the Committee.

## **2.0 REFERENCE DOCUMENTS**

In considering the estimates, the Committee referred to and was guided by the following documents:

- i. The 1992 Constitution of the Republic of Ghana
- ii. The Standing Orders of the House
- iii. The Budget Statement and Economic Policy of the Government of Ghana for the 2020 Financial Year.

- iv. The Public Financial Management Act, 2016 (Act 921)

### **3.0 BACKGROUND**

The Ministry of Business Development exists to create a sustainable and most business-friendly, entrepreneurial, innovative and business-enabling environment that fosters private sector-led investment for job creation and livelihoods.

The National Medium Term Development Policy Framework (NMTDPF) contains three (3) objectives that are relevant to the Ministry of Business Development. They are:

- To improve the entrepreneurial and technical skills of Micro, Small and Medium Enterprises (MSMEs) particularly those owned by the youth;
- To enhance the performance of Micro, Small and Medium Enterprises (MSMEs), focusing on improving their operational efficiency and competitiveness; and
- To enhance access to finance for Micro, Small and Medium Enterprises (MSMEs).

### **4.0 OBJECTIVES AND FUNCTIONS**

The core functions of the Ministry are as follows:

- To promote the development of an entrepreneurial culture in Ghana
- To facilitate improvement in the ease of doing business in Ghana
- To promote the development of the MSME sector for job creation

- To increase the entrepreneurial capacity of the youth, women and persons with disability
- To nurture and promote the growth of medium to large size indigenous Ghanaian business giants
- To enhance the image of Ghana as the most business-friendly country in Africa.

#### 5.0 2019 BUDGET PERFORMANCE AS AT END SEPTEMBER, 2018

| ITEM                      | 2019 BUDGET<br>(REVISED)<br>GH¢ | ACTUAL<br>EXPENDITURE<br>AS AT<br>SEPTEMBER<br>2019<br>GH¢ | VARIANCE<br>GH¢      |
|---------------------------|---------------------------------|------------------------------------------------------------|----------------------|
| Compensation of Employees | 148,532.00                      | 147,661.30                                                 | 870.70               |
| Goods and Services        | 47,278,700.00                   | 35,318,165.87                                              | 11,960,534.13        |
| CAPEX                     | 1,500,000.00                    | 1,709,779.40                                               | (209,779.40)         |
| <b>GRAND TOTAL</b>        | <b>48,927,232.00</b>            | <b>37,175,605.57</b>                                       | <b>11,751,625.43</b> |

Table 1: Source – Ministry of Business Development

## **6.0 THE 2020 ANNUAL ESTIMATES FOR THE MINISTRY OF BUSINESS DEVELOPMENT**

A total amount of **GH¢40,417,629** has been allocated to the Ministry of Business Development for the year 2020. The breakdown of the allocation is as follows:

|                                  |   |                             |
|----------------------------------|---|-----------------------------|
| <b>COMPENSATION OF EMPLOYEES</b> | - | <b>GH¢971,221</b>           |
| <b>GOODS AND SERVICES</b>        | - | <b>GH¢39,446,408</b>        |
| <b>CAPITAL EXPENDITURE</b>       | - | <b>0</b>                    |
| <b>GRAND TOTAL</b>               | - | <b><u>GH¢40,417,629</u></b> |

## **7.0 OBSERVATIONS AND RECOMMENDATIONS**

### **7.1 Policy Focus**

The Committee observed that pursuant to the National Medium Term Development Policy Framework, the Ministry will in 2020 pursue programmes aimed at promoting the development of the MSME sector for job creation, creating an overall entrepreneurial culture especially among the youth, women and the disabled, supporting young businesses and start-ups and facilitating the improvement in the ease of doing business in Ghana.

## **7.2 National Entrepreneurship Policy**

The Ministry in 2019 developed a national Entrepreneurship Policy for Ghana with concrete targets, identified beneficiaries, indicators of success and actionable objectives. Currently, a final draft of the policy is ready. The Ministry has however been directed to synchronize it with the Ministry of Trade and Industry to make a joint presentation to Cabinet.

## **7.3 Fixed Assets Coordinating Unit**

In accordance with the Public Financial Management Act, 2016 (Act 921) and the Public Financial Management Regulations 2019 (L.I. 2379), the Ministry in 2019 established the Fixed Assets Coordinating Unit (FACU) to ensure effective, efficient, economic and transparent use of fixed assets in the Ministry.

## **7.4 Presidential Pitch (Season 2)**

The Presidential Pitch was launched in the year 2018 to promote the entrepreneurial spirit among the youth towards job creation. The Pitch is to provide financial support to young entrepreneurs between the ages of 15 and 35 years.

In the 2019 financial year, the Ministry received about 800 applications out of which 20 young entrepreneurs were selected and given financial support to develop their entrepreneurial ideas into successful businesses. The prizes were personally awarded by His Excellency the President of the Republic. The support was between GH¢25,000.00 and GH¢60,000.00.

Also, His Excellency the President gave a personal donation of GH¢40,000 to the overall winner.

In the year 2020, 20 more young entrepreneurs will be selected and given financial support under this initiative.

### **7.5 Student Entrepreneurship Initiative (SEI)**

In 2019, the Ministry continued with the Student Entrepreneurship Initiative (SEI) which was launched in 2018. In all, 40 additional clubs were inaugurated in Senior High Schools and 20 in Tertiary Institutions across the country through which a total of 22,500 students are benefiting from the initiative.

The purpose of the Student Entrepreneurship Initiative (SEI) is to inculcate the entrepreneurial mindset in students and encourage them to develop an interest in becoming business owners after school.

The benefits of this initiative include:

- Exposing students to business concepts and plans at an early age
- The tendency for students to think entrepreneurial and begin to develop projects and services while in school.

### **7.6 Support to Incubation Hubs**

Under the National Entrepreneurship and Innovation Plan (NEIP) Business Support Programme, 12,000 entrepreneurs applied online in 2019 through the Ministry's website and were trained across the 16 Regions of the country by selected business incubation hubs.

Out of the 12,000 trainees, 3000 successful entrepreneurs who presented innovative and bankable business plans were selected for financial support ranging from *Ten Thousand Ghana Cedis* (GH¢10,000.00) to *One Hundred Thousand Ghana Cedis* (GH¢100,000.00). It is expected that each of the entrepreneurs under the programme would create a minimum of 3 jobs, thus totaling an estimated 9,000 direct jobs.

### **7.7 Green Business Project**

The Committee noted that the Ministry is implementing the biggest Green House Estate Project in West Africa at Dawhenya Irrigation Site in the Greater Accra Region with seventy-five (75) domes established. Each dome employs about twenty (20) workers.

NEIP in 2019 created access roads and drainage systems around all the domes. NEIP is putting up a Hostel Accommodation at the Green House Site for trainees in green house farming. The hostel is currently at first floor level.

In 2020, the NEIP will continue with works on the construction of the Hostel Accommodation project.

### **7.8 National Early-Stage Business Competition**

The Committee was informed that the Ministry will in 2020 continue to pursue the National Early-Stage Business Competition through which candidates are selected for admission into the Incubator Hubs and provided



with funds on set criteria. This module was noted to be very critical for business development in the country.

Under the module, Early-Stage competitions are run under some sectorial areas to attract the right business ideas to be groomed in the Ministry's Business Incubator before funding is given to them.

Sectorial areas under which the competitions are undertaken include:

- Agri-business and Agro Processing
- Information Communication Technology
- Sports, Tourism and Recreation

## **7.9 Women Entrepreneurship Development**

In 2018, the Ministry launched the Women Entrepreneurship Conference as part of initiatives targeted at promoting economic empowerment of women and unleashing their entrepreneurial potentials.

In 2019, the Ministry supported 800 women entrepreneurs financially and also trained them in areas such as access to finance, marketing, insurance, risk management and accounting to help promote women entrepreneurial initiative and financial inclusion.

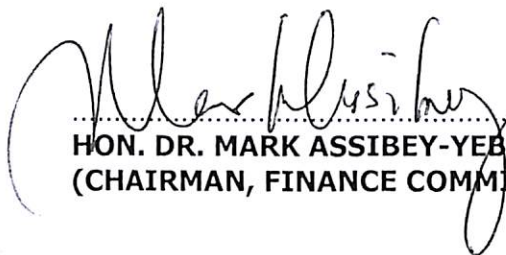
The Ministry will in 2020 provide such financial assistance and training to 1,000 women entrepreneurs.

## **8.0 CONCLUSION**

The Committee, after critical examination of the 2020 Annual Estimates for the **Ministry of Business Development**, respectfully recommends to the

House to adopt this report and approve the sum of ***Forty Million, Four Hundred and Seventeen Thousand, Six Hundred and Twenty-Nine Ghana Cedis (GH¢40,417,629)*** for the implementation of the programmes and activities of the **Ministry of Business Development** for the financial year commencing on the 1<sup>st</sup> day of January 2020 and ending on the 31<sup>st</sup> day of December, 2020.

Respectfully Submitted

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

  
.....  
**MS. EVELYN BREFO-BOATENG**  
**(CLERK, FINANCE COMMITTEE)**

10<sup>TH</sup> DECEMBER, 2019

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