

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

REPORT OF THE FINANCE COMMITTEE

ON THE

**2020 PROGRAMMED BASED BUDGET
ESTIMATES**

FOR THE

**MINISTRY OF REGIONAL
REORGANIZATION AND DEVELOPMENT**

10^h December, 2019

1.0 INTRODUCTION

Following the presentation of the Budget Statement and Economic Policy of the Government for the year ending 31st December, 2020 by the Minister for Finance, Hon. Ken Ofori-Atta on 15th November, 2019, the 2020 Budget Estimates for the Ministry of Regional Reorganization and Development were referred to the Finance Committee for consideration and report in accordance with Article 179 of the 1992 Constitution and Order 140 (4) of the Standing Orders of Parliament.

The Committee met with the Deputy Minister for Regional Reorganisation and Development, Hon. Martin Adjei Mensah Korsah, the Chief Director of the Ministry, Mr. Dawarnoba Baeka and officials from the Ministry of Finance and the Ministry of Regional Reorganization and Development.

1.1 Documents referred to

The Committee referred to the following documents:

- The 1992 Constitution;
- The Public Financial Management Act, 2016 (Act 921);
- The Standing Orders of Parliament; and
- The Budget Statement and Economic policy of the Government of Ghana for the 2020 Financial Year.

2.0 BACKGROUND

As part of government efforts to help deepen political and administrative decentralization as well as strengthen the coordination and administrative functioning of the regions, the Ministry of Regional Reorganization and Development was established.

The goal of the Ministry is to improve access to government services through review and reorganization of existing administrative regions.

The core functions of the Ministry are to, among others:

- Formulate policies for the reorganization and development of administrative regions;
- Develop strategic plans and programme based budgets for the reorganization and development of administrative regions;
- Develop communication/advocacy strategies to sensitize stakeholders on the modalities involved in reorganization of administrative regions;
- Collaborate with relevant Ministries, Departments and Agencies for the reorganization and development of new regions; and
- Facilitate the design and preparation of programmes and projects for the development of the newly created administrative regions.

3.0 PERFORMANCE FOR 2019

During the year under review, the Ministry carried out the following activities:

3.1 Public Presentation of Constitutional Instruments to the New Regions

The Committee was informed that pursuant to Article 5(8) of the 1992 Constitution, His Excellency the President issued the Constitutional Instruments giving effect to the results of the referendum for the creation of the new regions. He also publicly presented the CIs to delegations of chiefs from the new regions at the Jubilee House.

3.2 Posting of Key Staff to the New Regional Coordinating Councils

The Ministry in collaboration with the Head of Local Government Service posted a number of staff to the new regions. These included the Regional Coordinating Directors, Regional Economic Planning Officers, Budget Analysts, Human Resource Directors and Accountants, among others. To date, the Office of the Head of Local Government Services has recruited and posted over Two Thousand (2,000) staff including drivers, stewards, cleaners and executive officers to the new regions. Other support services such as the Regional Police Commanders, Regional BNI Directors, Regional Commanders of the Ghana Prison Service and Regional Fire Officers, have been posted to the newly created regions.

3.3 Training of Newly Posted Staff

The Ministry collaborated with the Office of the Head of Local Government Service to orient newly posted Regional Coordinating Directors on performance of their duties to ensure rapid socio-economic development of the new regions. It also collaborated with the Office of the Minister of State in Charge of Public Procurement to train the Regional Ministers, Regional Coordinating Directors, Regional Procurement Specialists and Regional Accountants on public procurement.

3.4 Procurement of Vehicles for the Newly Created Regions

The Ministry facilitated the handing over of Forty-Eight (48) vehicles made up of Six (6) Nissan Patrol V8, Thirteen (13) Nissan Patrol V6, Eighteen (18) Nissan Hard body Pickup vehicles, Twelve (12) Toyota Hilux Pick-up vehicles and Thirty (30) motorbikes. It also handed over Six (6) additional Nissan Hard body Pick-up vehicles which were used during the preparation of the creation of the new regions to the new Regional Coordinating Councils.

3.5 Construction of Administrative Blocks and Staff Bungalows

The Ministry awarded contracts for the construction of a 3-Storey Regional Coordinating Councils (RCCs) Administration Blocks in each newly created region. Work has commenced and is progressing steadily.

The Ministry also awarded contracts for the erection and completion of administrative blocks and staff bungalows for some decentralized departments and agencies such as the Ghana Health Service, Ghana Education Service, Department of Agriculture and the Department of Feeder Roads in different municipalities and districts in the newly created regions.

3.6 Summary of Budget Allocation and Performance for 2019

For year 2019, the Ministry was allocated a total amount of One Hundred and Twenty-Two Million, Seven Hundred and Eighty-Seven Thousand, Four Hundred

and Sixty-Three Ghana Cedis (GH¢122,787,463.00). Out of this amount, Fourteen Million, Four Hundred and Twenty-Two Thousand, Seven Hundred and Twenty-Two Ghana Cedis, Fifty-Four Pesewas (GH¢14,422,722.54) was spent as at 30th September, 2019. Table 1 below is the Expenditure Returns for the period ending September, 2019.

Table 1: Expenditure Returns as at 30th September 2018

ITEM	BUDGET	EXPENDITURE	VARIANCE	%
Compensation of Employee	390,250.00	214,936.96	175,313.04	55%
Goods and Services	1,447,213.00	1,076,274.28	370,938.72	74%
CAPEX	120,950,000.00	13,131,188.30	107,818,811.70	11%
TOTAL	122,787,463.00	14,422,399.54	108,365,063.46	12%

4.0 OUTLOOK FOR 2020

In 2020, the Ministry as part of its core mandate would continue to facilitate the completion of the on-going projects which were started in 2019. They include:

- the construction of a 3-Storey Regional Coordinating Councils (RCCs) Administration Blocks in each newly created region;
- the erection and completion of administrative block and staff bungalows for some decentralized departments and agencies;
- Construction of Six (6) Regional Ministers Residences in the newly created regions
- Construction of Six (6) Deputy Regional Ministers Residences in the newly created regions;
- Facilitation of the construction of Six (6) Regional Hospitals
- Facilitation of the construction of Six (6) administration blocks and Twelve (12) duty post bungalows for the Regional Police Commanders

The Ministry will also carry out series of Information, Education and Communication (IE&C) programmes to ensure that people in the new regions are part of the development process. It will coordinate and manage programmes and projects in the new regions.

4.1 2020 Budget Allocation

For the implementation of its programmes, a total amount of **One Hundred and Fifty-Three Million, Two Hundred and Sixty Thousand, Eight Hundred and Fifty-Five Ghana Cedis (GH¢153,260,855.00)** has been allocated from the Government of Ghana (GoG) to the Ministry. The summary of the allocation for 2020 is shown in Table 2 as follows:

Table 2 – Allocation for 2020

Item	Budget Allocation
Compensation of Employees	1,085.134.00
Goods and Services	27,175,721.00
CAPEX	125,000,000.00
Total	153,260,855.00

5.0 OBSERVATIONS

5.1 Current Role of the Ministry

The Committee was informed that following the creation of the new regions, there was the need to ensure that they take off smoothly. The Ministry has therefore been undertaking a number of activities to make sure the needed infrastructure is put in place. These include the staffing of the newly created Regional Coordinating Councils and its related Agencies. The Ministry is also facilitating the construction of a number of buildings and bungalows to ensure the smooth operation of the Six Ministries.

The Committee learnt that because the six regions are at their early stages of formation, they are likely to face teething problems so there is the need to have a coordinating body, the Ministry, to assist them stand on their feet and avoid these problems. The outlook of the Ministry for 2020 is therefore aimed at facilitating the provision of the necessary infrastructure and personnel to enable them carry out their mandate.

5.2 Low Release of CAPEX for 2019

The Committee observed that out of a budgeted amount of GH¢120,950,000.00 for Capital Expenditure, only an amount of GH¢13,131,188.30 was released as at September, 2019, giving rise to a variance of GH¢107,818,811.70.

It was explained that the most part of the year was used to identify and secure lands for the construction project. However, commencement certificates have been issued and work is progressing steadily. It is expected that by the end of the year, payment certificates would be issued for work done leading to further release of the budgeted capital expenditure.

5.3 CAPEX Allocation for 2020

The Committee observed that a total amount of One Hundred and Twenty-Five Million Ghana Cedis (GH¢125,000,000) was allocated to the Ministry as CAPEX. It was explained that the amount is to support the newly created regions with the needed infrastructure. The allocation would therefore be used to construct administration blocks for the Regional Coordinating Councils and other key infrastructure.

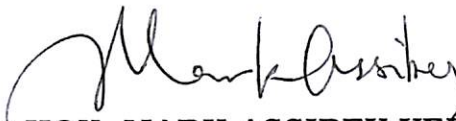
5.4 Sensitization


The Committee was informed that the Ministry would carry out a series of sensitization programmes. The ultimate goal is to help promote effective governance at all levels as well as enhance access to government services thereby actualizing the objectives for the creation of the new regions.

6.0 CONCLUSION

After a careful examination of the 2020 Budget Estimates for the Ministry of Regional Reorganization and Development, the Committee recommends to the House to approve the sum of **One Hundred and Fifty-Three Million, Two Hundred and Sixty Thousand, Eight Hundred and Fifty-Five Ghana Cedis (GH¢153,260,855)** to enable the Ministry implement its programme of activities for the 2019 financial year.

Respectfully submitted.


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


EVELYN BREFO-BOATENG (MS)
CLERK TO THE COMMITTEE

