



PRESS CONFERENCE

GYEEDA FINANCIAL SCANDAL AND THE NATIONAL YOUTH EMPLOYMENT AGENCY BILL

- MINORITY'S PERSPECTIVE

INTRODUCTION

Good morning Ladies and Gentlemen of the Media.

I thank you on behalf of my colleagues for responding to our invitation.

Ladies and Gentlemen, as a country we have within the past six years witnessed very disturbing and dangerous developments. The managers of government business have not conducted themselves and government programmes in a manner that provides greater efficiency, economy and value for money. The wanton payments of monies to undeserving companies and individuals under the Mahama government continue to have severe consequences. No wonder, it is said that coming event cast its shadow.

Informed by recommendations from the National Security outfit that the high youth unemployment rate was a threat to the national security, the Kufuor/NPP government in 2006 issued directives to the Ministry of Employment and Social Welfare to establish the National Youth Employment Programme (NYEP) with initial seven (7) modules. The NPP government offered leadership throughout its reign. The central role of the youth was captured in paragraphs 18 and 19 of the 2008 budget statement of the NPP government, christened "a brighter future", as follows: "Mr Speaker, the overall objective of the programme (NYEP) is to empower the youth to enable them contribute more productively towards the socio-economic and sustainable development of the nation. This is in line with

*government's commitment to provide jobs for the youth as articulated in the GPRS II. Mr. Speaker, 7 out of the 10 employment modules have been rolled out and are being implemented across the length and breadth of the country. A total of 107,114 youth have been engaged on the seven modules as at August 2007.** Before the NPP left office in December 2008, lots of efforts were made to sustain the programme. However, under the watch of the NDC/Mahama led administration, the vulnerable youth for whom these modules were developed, have been exploited and deprived of what is due them by greedy government functionaries and selfish individuals and companies.

Ladies and Gentlemen, the reality is that today unemployment is on the ascendancy and government has demonstrated complete incompetence, incapacity and lack of political will to address it. That explains why for the first time as a country we now have an Association of Graduates Unemployed?

Ladies and gentlemen of the media, let me set the records right, the claim by the Gunn Committee that the NYEP lacked legal frame work is fallacious and can not be sustained. The programme was conceived, discussed and approved by both cabinet and parliament. The name, structure, funding sources were all approved. The NYEP was an inter-sectorial initiative/project to address specific needs of those stakeholders. It involved the following Ministries – Education and Sports, Interior, Health, Local Government, etc. The various budget statements captured the NYEP and so the records between 2006 and 2008 are available and can be scrutinised.

Ladies and gentlemen, the NYEP was re-named Ghana National Youth Employment and Entrepreneurial Development Agency (GYEEDA) by the Mills-Mahama administration. The

change of name did not bring any strategic change to the mission and vision of the programme. It must be pointed out that the change of name only resulted in massive corruption, embezzlement, wanton dissipation of the tax payers' money and total disregard for laid down laws, rules and regulations in public financial management. It has been the usual practice with this NDC government, has not done anything about these scandalous and high level acts of corruption, because they can not be trusted with the prudent management of our resources. The create, loot and share culture of the NDC government as described by the Supreme Court continuous unabated.

Ladies and gentlemen, this report on GYEEDA which got entangled at the presidency is suffering from credibility trust. It beats the imagination of every reasonable person that when information of the report became public earlier, the government denied its content but later handed it over to the P.V Obeng's Committee for a review of the contents. At the moment the fear is whether the sanctity, integrity and the credibility of the report has not been compromised. The question to ask is whether this is the Revised Standard Version, in other words, an edited version of the Gunn's Report by the Obeng's Committee or what? Be that as it may, the minority feels obliged to respond to the so called final report of the MINISTERIAL IMPACT ASSESSMENT AND REVIEW COMMITTEE ON GHANA YOUTH EMPLOYMENT AND ENTREPRENEURIAL AGENCY (GYEEDA) as presented to the Committee on Youth, Sports and Culture and Employment and Labour Relations on Wednesday, 3rd December, 2014.

Ladies and gentlemen, the President and his ministers are responsible for the management of our resources and are accountable and answerable to the people of Ghana. They are

responsible for negotiating good business transaction terms for Ghana that will ensure efficiency, economy and value for money.

The attempt by President John Mahama led NDC government to blame certain individuals and companies is highly unacceptable and deeply regrettable. The obvious attempt at political equalization is dishonest and hypocritical. If they have failed to protect the public purse they should own-up and face the consequences.

ISSUES

Ladies and gentlemen, the so called final report deals with the issue of managerial capacity of personnel. The report pointed out *“a close examination of the qualification and experiences of the current members of the Management Team revealed that some of them did not have the requisite qualifications for the appointment to the positions they were encumbering. There was at least one instance where the certificates utilised by a management team member, Tapsoba Alhassan to gain employment were found to be fake...”* Ladies and Gentlemen, how were they recruited? Who was responsible for the recruitment exercise? Did they examine their backgrounds, competences, certificates etc.? The obvious conclusion is that these revelations speak of nepotism, cronyism and political patronage.

Again, the report reveals several irregularities, malpractices and violations of the laws that govern financial management activities of the public sector. These laws include the 1992 Constitution and Legislations such as the Financial Administration Act 2003 (Act 654) and Financial Administration Regulation 2004 L.I 1802, Public Procurement Act 2003 (Act 663), Internal Audit Agency Act 2003 (Act 658), Audit Service Act 2000 and Audit Service Regulations. As a result of poor managerial staff and non-adherence to these relevant laws,

the government of president Mahama cannot count for a whopping 1.5 billion Ghana cedis. Can you blame this on the absence of an Act of Parliament? Certainly No! The debt keeps piling up since this figure was recorded last year June 2013. The NDC government through its “create, loot and share” conduct of business has caused gargantuan financial loss to the state?

Ladies and gentlemen, part of the committee’s report states “it is legitimate to expect that getting value for money from contracts, especially with Service Providers (SPs) would have attracted utmost attention, especially in the prevailing economic environment, where reducing costs and conserving cash should be a priority”. It added “several contracts signed by MoYS and SPs are fraught with value leakages, commercial inefficiencies and waste”. It is important to cite some of the rather incredulous scenarios of lack of proper compliance in contract signed with service providers in the report.

1. GYEEDA outrageously made part payment of an amount of two million twenty eight thousand six hundred and five dollars (USD2,028,605.00) to Goodwill International Group (GIG) from a World Bank funding that Ghana is yet to benefit, but the former National Coordinator of GYEEDA signed a contract with the GIG to provide training programme in the Oil and Gas module amounting to sixty five million dollars (USD65,000,000.00);
2. The monitoring of the waste and sanitation contract with the Zoomlion is suspect and the management fee per beneficiary is ridiculous; and,
3. Interest free loans advanced to RLG and its associate companies – AGAMS, Asongtaba amounting to fifty million Ghana cedis (GHC50,000,000.00) without parliamentary approval and recourse to the financial position of GYEEDA is preposterous.

These few examples listed among the lot demonstrate clear breaches of the public procurement and the financial administration acts and constitute complete disregard for parliamentary approval. Also the timing for most of these service contracts which numbered about twenty (20) were hastily and indecently signed between the period of 12th and 31st December, 2012, just 19 days.

Can you blame this financial indiscipline on the absence of an Act of Parliament?

The National Youth Employment Agency Bill

The minority is not against the passage of any law for the programme. But it is instructive to note that a mere passage of the law will not stop the “create, loot and share” instinct of this government. Compliance, political will and commitment of those responsible for the management of the programme are the necessary ingredients.

Why the indecent haste to pass this bill? This bill is simply being rushed. This controversial bill was laid only last month, exactly, 11th November, 2014 by the Minister of Employment and Labour Relations. Too short a time for any diligent work to be done.

Considering the endemic corruption, malfeasance, the rot and the abuses as well as the total disregard for relevant laws and regulation in our public financial management that characterised the programme between 2009 and 2012 as contained in the Ministerial Impact Assessment and Review Committee on Ghana Youth Employment and Entrepreneur Agency (GYEEDA), one would expect the majority side to support the minority to do a more thorough work and hasten slowly. A major concern of the minority has to do with the steps being taken by the executives to retrieve about GHC1.5 billion cedis fraudulently stolen from the state by individuals and organizations. As we speak, parliament has not been briefed about any action so far taken by the government to retrieve the money,.

Tuesday, 9th December, 2014

CONCLUSION

Ladies and gentlemen, it is unfortunate that such a laudable programme started by the NPP administration is today severely suffering under the NDC/Mahama government. For the sustenance of the programme the NPP government created funding sources, however, the NDC government since it took office has not brought any qualitative change but has continuously been adding unsustainable modules.

Ladies and gentlemen of the Media, we call on the government to pass this test of corruption for once by implementing the action paper they have issued and ensure that those who have caused Ghana financial loss face the music. Nobody should be covered or spared.

Ladies and gentlemen, to promote transparency and accountability and ensure the sanctity and credibility of the Committee's report, the government should undertake the following;

- i. Promptly respond by giving clear directive to the Attorney General and Minister of Justice to prosecute the culprits for their gross disregard for laws of the land – procurement practices (Procurement Act), Financial administration Act and other relevant laws and regulations; the rhetoric directive is not enough but should be backed by real action.
- ii. Cause the publication of the financial statement of GYEEDA for the period under review. The accounts of GYEEDA, individuals and companies involved should be frozen with immediate effect.

Ladies and gentlemen, with reference to the Government Action Paper on the Ministerial Impact Assessment and Review Committee on GYEEDA, point 4 emphatically stipulates that

they did not have access to all information they required and did not have enough time to get detailed information on certain aspects of the report. It said the committee was unable to interrogate some of the individuals mentioned in the report, hence the minority believes strongly that the work is inconclusive. And also because of the ambiguity surrounding Gunn's/Obeng's report, the minority members on the joint Committee believes that this is the golden opportunity for proper investigations into the operations of GYEEDA to determine its financial viability and sustainability. From all indications there is yet more to come.

Thank you very much.