

PARLIAMENT OF GHANA LIBRARY

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

**REPORT OF THE  
COMMITTEE ON EMPLOYMENT, SOCIAL  
WELFARE AND STATE ENTERPRISES**

*ON THE*

**BUDGET IMPLEMENTATION/PERFORMANCE  
REPORT IN RESPECT OF THE MINISTRY OF  
SPECIAL DEVELOPMENT INITIATIVES**

*November 2019*

# **REPORT OF THE COMMITTEE ON EMPLOYMENT SOCIAL WELFARE AND STATE ENTERPRISES ON THE BUDGET PERFORMANCE REPORT OF THE MINISTRY OF SPECIAL DEVELOPMENT INITIATIVES FOR THE 2018 FINANCIAL YEAR**

## **1.0 INTRODUCTION**

The Annual Budget Implementation/Performance Report of the Ministry of Special Development Initiatives for the 2018 financial year was laid in Parliament on 8th April 2019 pursuant to Article 187(2) and (5) of the 1992 Constitution of the Republic of Ghana.

The report was subsequently referred to the Committee on Employment Social Welfare and State Enterprises for consideration and report, in accordance with Order 184 of the Standing Orders of Parliament.

The Committee thereafter invited the Minister for Special Development Initiatives Mrs. Hawa Koomson and her team of officials to a meeting on Thursday 14<sup>th</sup> November, 2019 to assist the Committee consider the referral.

## **2.0 REFERENCE DOCUMENTS**

The Committee was guided by the following documents during its deliberations.

- The 1992 Constitution of the Republic of Ghana
- The Standing Orders of Parliament of Ghana
- The Budget Statement and Economic Policy of the Government of Ghana for the 2018 financial year.
- The 2018 programme Base Budget (PBB) Estimate of the Ministry.
- The Public Financial Management Act (2016) (Act 921)

### **3.0 PROCEDURE**

The Committee examined the Budget Performance Report in the light of the Ministry's Policy Objectives for 2018, its budgetary allocation and releases, and the performance targets for the various planned programmes and activities, as contained in the 2018 programme based budget estimates of the Ministry.

### **4.0 SCOPE OF THE PERFORMANCE REPORT**

The 2018 Budget Implementation/Performance Report of the Ministry covered the following areas among others:

- Policy Objectives for 2018
- Financial Performance for the period
- Summary of expenditure by economic classification
- Policy outcome indicators and targets
- Key policy initiatives
- Actions taken on recommendation of parliament in respect of Auditor General's Report, and
- Ongoing projects.

### **5.0 POLICY OBJECTIVES FOR 2018**

The Ministry of Special Development initiatives is vested with the mandate of formulating and co-ordinating policies for the implementation of government's priority initiatives for accelerated socio-economic development. One of the core function of the Ministry is to supervise and monitor the implementation of the Infrastructure for Poverty Eradication Programme (IPEP), being implemented by the Northern, Middle-Belt and Coastal Development Authorities.

As part of measures towards the achievement of its mandate, the Ministry set out to pursue the following policy objectives, among others:

- Formulate and implement programmes and projects to reduce vulnerability and exclusion

- Strengthen processes towards achieving food sovereignty
- Strengthen policy formulation, planning and monitoring and evaluation processes at all levels
- Improve public sector expenditure management and budgetary control
- Develop and strengthen human resource base.
- Modernise public institutions to be responsive and efficient
- Provide electronic access on public information and services to all citizens

## **6.0 PROJECTIONS FOR KEY PROGRAMMES AND ACTIVITIES**

In line with its objective of formulating and implementing programmes and projects to reduce vulnerability and exclusion through access to sanitation, water, irrigation, farm produce storage and basic health facilities, the Ministry projected to undertake the following:

- Draft a Sector Development Plan
- Establish 3 Development Authorities
- Initiate 1000 sanitation (toilets) projects in 275 constituencies
- Initiate the construction of 1000 community water systems in 275 constituencies
- Initiate the construction of 560 irrigation facilities in the three Northern Regions
- Initiate the construction of farm produce storage facilities in some rural areas
- Initiate the construction of basic health facilities in the 275 constituencies

## **7.0 2018 BUDGET PERFORMANCE**

The Ministry was provided with a budgetary allocation of One Billion, Two Hundred and Thirty-nine Million, Four Hundred and Nine Thousand, Nine Hundred and Sixty-nine and Three Pesewas (GH¢1,239,409,969.03) for the implementation of its programmes and activities for the 2018 Financial Year. However, the Committee was informed that the initial budget allocation of

GHC1,239,409,969.03 was revised downwards during the Mid-Year Review of the 2018 Budget to an amount of **GHC815,412,094.00**, representing 65.7% of the initial approved budget for the year. Out of the total revised allocation, an amount **GHC761,650,008.00** was to be funded from GOG, whilst **GHC53,762,086** was to be sourced from the Annual Budget Funding Amount (ABFA). Details of revised allocation and releases as at 31<sup>st</sup> December 2018 are presented in the table below:

**Table 1. Details of revised allocation by sources and releases**

<b>ITEM Sources</b>	<b>BUDGET ALLOCATION</b>	<b>Amount Released</b>	<b>ACTUAL EXPENDITURE Jan-Nov 2018 GHC</b>	<b>VARIANCE GHC</b>
<b>GOG</b>	761,650,008.00	311,039,490.01	81,119,012.74	<b>49%</b>
			258,337.56 (Compensation)	
			8,943,575.00 (Goods & services)	
			71,917,100.50 (Capex)	
<b>ABFA</b>	53,762,086.00		19,321,675.65	<b>44%</b>
<b>GRAND TOTAL</b>	<b>815,412,094.00</b>			

## **8.0 ACHIEVEMENTS**

During the year under review the Ministry utilised its budgetary allocation to undertake/initiate the following:

- Established the Head Offices of the three Development Authorities
- Finalised Organisational Manual of the Ministry
- Developed a draft Client Service Charter

- Construction of five hundred and sixty (560) small dams under the 'One Village, One Dam' initiative
- Construction of one thousand institutional/community water closet toilets ongoing throughout the 275 constituencies
- Construction of fifty (50) fabricated warehouses in selected districts under the Agriculture Infrastructure Initiative underway
- Facilitated the construction and co-ordination of the implementation of other constituency infrastructure needs in the 275 constituencies

## **9.0 OBSERVATIONS**

**9.1** The Committee noted that as at December 2018, only GHC81, 119,012.74 of the approved budget in respect of the GOG amount of 761,650,008.00 reflected as actual expenditure made by the Ministry. The Expenditure covered Compensation (GHC258, 337.56) Goods and Services (GHC8,943,575.00) and Capex (GHC71,917,100.50).

It was further noted that although an amount of 53,762,086 was provided from ABFA, total payment made under ABFA during the year summed up to GHC19,321,675.56. This constitutes about 36% percent of the approved ABFA allocation for the year.

The paltry release of the approved budgetary allocation made it difficult for the Ministry to implement its planned programmes and activities for the year under review. Given the important role of the Ministry in implementing programmes aimed at improving livelihoods and reducing poverty, the Committee urges the Ministry of Finance to provide the needed resource to the Ministry of Special Development Initiatives to effectively carry out its mandate.

**9.2** It came to the attention of the Committee that some of the projects could not be completed in 2018 because some contractors could not mobilise the initial capital to start the projects. In some instances, the project had to be terminated for non-performance by the contractors. This, together with the slow pace of

processing certificates raised by contractors adversely affected the delivery of a number of projects on schedule. In order to ensure the smooth and speedy execution of the projects being undertaken by the Ministry, the Committee urges the Ministry of Finance to provide advance mobilisation to enable contractors deliver on time.

9.3 The Committee further noted that the projects are being implemented in various constituencies at the same time, amidst resource constraints, and thus affecting their smooth implementation. In order to ensure effective and efficient execution of the projects, the Committee recommends that the Ministry considers packaging the projects into manageable lots and awaits their completion before awarding other lots.

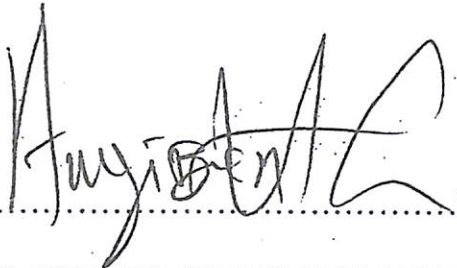
9.4 The Committee was informed that inadequate office space is one of the major challenges confronting the Ministry. Currently, the Ministry is occupying only 7 offices at the Christiansburg Castle. In view of the serious space constraints, some of the offices have been partitioned into cubicles, which hardly pass as an office. It is recommended that the former Savana Accelerated Development Authority (SADA) Office located opposite the American Embassy which was part of the assets transferred to the Central Government under Clause 36 (1) of the Northern Development Authority Act, 2017 ( Act 963), be made available to the Ministry for use as office accommodation.

## **CONCLUSION**

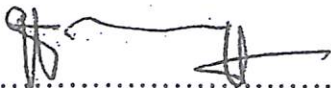
A careful examination of the Budget Performance Report of the Ministry of Special Development Initiatives for the 2018 Financial Year reveals that generally, the Ministry could not achieve most of its targets due to the insignificant release of funds. Some of the projects initiated in 2018 therefore spilled over to 2019 and are currently at various stages of completion. There is the urgent need to provide the Ministry with the needed resource to execute the various projects to completion.

Against this background, the House is respectfully requested to adopt the Report of the Committee on Employment, Social Welfare and State Enterprises on the Budget Implementation/Performance Report of the Ministry of Special Development Initiatives for the 2018 Financial Year.

Respectfully submitted



HON. KWAME ANYIMADU-ANTWI  
CHAIRMAN, COMMITTEE ON EMPLOYMENT,  
SOCIAL WELFARE AND STATE ENTERPRISES



ANTHONY AGYEKUM  
CLERK TO THE COMMITTEE

