

**IN THE FIRST MEETING OF THE FIRST SESSION OF THE
SIXTH PARLIAMENT OF THE FOURTH REPUBLIC OF GHANA**

**REPORT OF
THE COMMITTEE ON DEFENCE AND INTERIOR**

ON THE

**2013 ANNUAL BUDGET ESTIMATES
OF
THE MINISTRY OF DEFENCE**

3/20/2013

REPORT ON THE BUDGET ESTIMATES FOR THE MINISTRY OF DEFENCE FOR THE FINANCIAL YEAR 2013

1.0 INTRODUCTION

The Budget Statement and Economic Policy of the Government of Ghana for the 2013 financial year was presented to Parliament by the Hon. Minister of Finance on Tuesday, 5th March, 2013 in accordance with Article 179(1) of the 1992 Constitution of Ghana.

1.1 The draft Budget Estimates of the Ministry of Defence were accordingly 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 Parliament of Ghana.

1.2 The Committee met with the Hon. Minister for Defence and his staff, as well as officials of the Ministry of Finance, and thoroughly deliberated on the proposed allocations made to the Ministry.

The Committee expresses its gratitude to the Hon. Minister and his officials for acknowledging its invitation and attending upon it.

2.0 REFERENCE DOCUMENTS

Your Committee referred to the following documents during its deliberations:

- i. The 1992 Constitution of the Republic of Ghana
- ii. The Standing Orders of the Parliament of Ghana
- iii. The Budget Statement and Economic Policy of Government for the 2013 financial year.

3.0 BACKGROUND INFORMATION ON THE MINISTRY OF DEFENCE

The Ministry of Defence seeks to develop highly professional, effective, efficient and politically neutral Armed Forces which are subject to democratic control and capable of protecting by land, sea and air, the territorial integrity and sovereignty of Ghana against external aggression.

3.1 The Ministry's operations cover the following:

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

4.0 PERFORMANCE FOR 2012

4.1 The Ministry was confronted with a number of challenges in implementing its programs and activities for the financial year 2012 due to budgetary constraints. The non-release of funds covering August to December stalled a number of programmes and activities planned for the period. Essentially, food bills could not be met and residential accommodation projects in the garrisons could also not be completed.

4.2 Despite all these shortcomings, the Ministry of Defence was able to live up to its task of defending our territorial boundaries and interests including the following:

- In conjunction with the Ghana Police Service, armed robbery and violent crimes were reduced across the country.
- The Ghana Navy and the Air Force conducted sea and aerial patrols to protect the nation's resources and monitor Exclusive Economic Zones (EEZ).
- The Ghana Armed Forces trained and deployed over 5000 troops for external Peace Support Operations.

4.3 As part of its modernization drive, the Ministry acquired personal weapons, troop carrying vehicles, parachutes and accessories, and road construction equipment for the Army. Fast Patrol boats were acquired for the Navy whilst more platforms were added to the Air Force.

4.5 Preparatory works were undertaken for a 600 -bed expansion of the 37 Military Hospital and construction of a 500-bed Hospital at Afari near Kumasi. The latter is to cater for the northern zone and thus ease pressure off the 37 Military Hospital, to which currently all serious medical cases are referred.

5.0 OUTLOOK AND ESTIMATES FOR FISCAL YEAR 2013

5.1 The Ministry of Defence has been allocated a total sum of **Five Hundred and Seventy Five Million, Six Hundred and Nine Thousand, and Twenty Two Ghana Cedis (GH¢575,609,022.00)** for the 2013 financial year, out of which **GH¢ 492,303,112** is GOG, **GH¢ 5,973,910** is IGF and **GH¢ 77,332,000** from Donor Funding. The breakdown is as follows:

5.1.1 2013 ALLOCATION OF FUNDS FOR THE MINISTRY OF DEFENCE:

ITEM	GOG	IGF	DONOR	TOTALS GH¢
COMPENSATION OF EMPLOYEES	453,200,000	- -	- -	453,200,000
GOODS & SERVICES	33,357,512	5,536,525	15,466,400	54,360,437
ASSETS	5,745,600	437,385	61,865,600	68,048,585
TOTALS	492,303,112	5,973,910	77,332,000	575,609,022

5.2 TREND OF GOG ALLOCATIONS TO THE MINISTRY (2010-2013):

No	Item	2010 GH¢	2011 GH¢	2012 GH¢	2013 GH¢ Allocation
1.	Compensation	126.807	101.629	150.580	453.200
2.	Goods & services	43.978	41.713	42.130	33.357
3	Assets	7.040	3.520	3.520	5.746
4	TOTALS	177.825	146.862	201.251	492.303

5.2.1 The above table indicates marginal increments in allocations for Goods & Services for 2011/2012 and a decline in the 2013 allocation. There has been a slight increase in the allocation made for Non-financial assets. Though the figure for Compensation of Employees for this year is huge, it only gives assurance that staff would get paid, whilst there might still not be enough budget to ensure that works get done.

5.3 The Ministry is mindful of its vital role in the Public Safety Sector and notes that the effectiveness and operational readiness of the Armed Forces depends on the maintenance of its assets and the general welfare of its personnel.

The Ministry therefore intends to continue building capacity of the Forces and ensuring that medical care as well as essential stores, including ammunition is accessible to them.

A breakdown of the total allocation to the Ministry of Defence is as follows:

5.3.1 BREAKDOWN OF BUDGETARY ALLOCATION OF GH¢575,609,022 TO MINISTRY OF DEFENCE:

No.	Unit	Allocation GH¢	No.	Unit	Allocation GH¢
1.	MOD HQ	3,735,827	7.	GAFCSO	490,368
2.	VAG	1,300,766	8.	MATS	206,540
3.	GHQ	539,602,559	9.	ADVISORS	17,800,000
4.	ARMY	916,642	10.	KAIPTC	56,766
5.	NAVY	1,584,782	11.	37 HOSPITAL	8,229,252
6.	AIRFORCE	1,685,522		TOTALS	575,609,022

5.4 Out of the IGF component of the budget totaling **GH¢ 5,973,910**, an amount of **GH¢ 5,536,525** will be used by the Ghana Armed Forces for Goods and Services and **GH¢ 437,385** for Assets.

Though there are indications that the Ministry of Finance will meet all obligations relating to Compensation of Employees, the same cannot be said for Goods and Services, and Assets.

6.0 OBSERVATIONS & RECOMMENDATIONS

The Committee observed that the Ministry's planned programmes and activities may be adversely affected and suffer long term effects if budgetary allocation is not adequate. The Ministry may not be able to purchase enough ammunition and other logistics for the training of the Forces who are expected to be ready to respond effectively in any crisis situation.

- 6.1** The Committee also noted that the approved figures, as inadequate as they may be, are not released on time for implementation of programs.
- 6.2** The budgetary allocation takes care of personnel emoluments in full whilst Goods and Services and Non Financial Assets, which cover the core activities of the Forces, are only allocated 20% of the proposed requirements. This will affect work output, health care delivery and maintenance of platforms.
- 6.3** The Committee recommends that the Ministry of Defence effectively and efficiently manages its resources and galvanizes its internally generated funds, including revenue from external Peace Support Operations.
- 6.4** The Committee would want to urge the Ministry of Finance to make additional provision for the Ministry of Defence as supplementary budget, to enable it pay off some of its arrears (2012) for Goods and Services and Non financial assets.
- 6.5** The Committee observes that, the only way Ghana will benefit from the huge capital investments made recently to acquire assets for the Naval Command and the Armed Forces, is to ensure the effective maintenance and deployment of all the equipment to protect the territorial integrity of Ghana.

7.0 CONCLUSION

The Committee, after careful examination of the draft estimates is of the view that the level of budgetary allocation for the Ministry of Defence falls far below its minimum requirements.

It is therefore imperative that the budgetary allocation is enhanced to improve the effectiveness and operational readiness of the Armed Forces for the security of the country in general.

This notwithstanding, the Committee recommends to the House for approval, the total budgetary allocation of **Five Hundred and Seventy Five Million, Six Hundred and Nine Thousand, and Twenty Two Ghana Cedis (GH¢575,609,022.00)** made to the Ministry of Defence for the financial year ending 31st December 2013.

Respectfully submitted,



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CHAIRMAN, COMMITTEE ON
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CLERK, COMMITTEE ON
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MARCH 2013