

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

**REPORT OF THE COMMITTEE ON TRADE, INDUSTRY AND TOURSİM ON THE EXPORT
DEVELOPMENT AND INVESTMENT FUND (AMENDMENT) BILL, 2011**

1.0 INTRODUCTION

The Export Development and Investment Fund (Amendment) Bill, 2011 was laid in the House on 5th July, 2011 and referred to the Committee on Trade, Industry and Tourism in accordance with the 1992 Constitution and the Standing Orders of the House.

To consider the Amendment Bill, the Committee met with the Minister for Trade and Industry, Hon. Hannah Tetteh, the Deputy Minister for Trade and Industry, Hon. Dr. J. S. Annan and a technical team from the Ministry of Trade and Industry and reports as follows:

2.0 REFERENCE DOCUMENTS

The Committee referred to the following documents:

- (i) 1992 Constitution of the Republic of Ghana
- (ii) Standing Orders of the House
- (iii) Export Development and Investment Fund Act, 2000 (Act 582)
- (iv) Memorandum from the Ghana Export Promotion Authority (GEPA)

3.0 BACKGROUND

The House may recall that the Export Development and Investment Fund Act, Act 582 was introduced in 2000 and to reflect the fact that exports could drive economies to deliver rapid growth rate. It was then clear that substantial financial resources needed



to be mobilized and applied for the development and promotion of exports. Thus, there was the need to expand the country's export base through production and export diversification.

The Export Development and Investment Fund Act was to support Export development, promotion, financing, research and market development on a sustainable basis.

After almost twelve years of the operation of the Export Development and Investment Fund Act 2000, Act 582, Government has come to terms to expand the frontiers of the fund to enable it play a key role to promote agricultural financing and the development of the agricultural and agro processing sectors.

4.0 PURPOSE OF THE BILL

The purpose of this Bill is to amend the Export Development and Investment Fund Act, 2000 (Act 582) to enable the Fund play a more pivotal role in agricultural financing and development of the agricultural and agro processing sectors generally. Further the bill seeks to expand the objects of the Fund to include the provision of Funds to promote agriculture and agro processing activities that may not necessarily be for export.

5.0 STRUCTURE OF THE BILL

The Bill has 6 clauses.

Clauses 1 and 2 seek to amend the short and long titles of Act 582 to make these titles reflect the role of the Fund.

Clause 3 proposes to amend the objects of the Fund by introducing new paragraphs (f) and (g) of subsection 1 of section 2.

Clause 4 amends Section 5 of the principal enactment by including in the categories of Accounts operated under the Fund, the Agricultural Development and Credit Account and the Export Credit Facility Account.

Clause 5 amends section 12 of the principal enactment by including members of the committees of the Board among the persons entitled to an allowance under that section.

Clause 6 introduces a new section 12 A which provides for an Agricultural Development Committee as a specialized technical implementation committee of the Board

6.0 OBSERVATIONS

6.1 MEMORANDUM RECEIVED FROM THE GHANA EXPORT PROMOTION AUTHORITY

The Committee received a Memorandum from the Governing Council of the Ghana Export Promotion Authority (GEPA).

The proposal among others sought for the statutory allocation of ten (10%) of the 0.5% receipts of import levies to the Export Development and Investment Fund annually.

The Council Chairman, Mr. Kobina Ade Coker informed the Committee that the allocation of this percentage is intended to adequately resource GEPA to provide critical supply and market-related assistance to the predominantly, micro, small and medium enterprises and mostly private sector – owned export companies to improve livelihood, create employment and increase non-traditional export revenues.

The Chief Executive of GEPA confirmed the Council chairman's comments and added that since the Council had been upgraded to an Authority, there was the need to adequately resource it to enable it achieve its objectives.

The Minister informed the Committee that even though GEPA is an Agency under her Ministry, she had no prior knowledge of the proposal. She said while she favoured every effort to adequately resource agencies of the Ministry, budgetary allocations would not permit this. As a result, it was important that all agencies under her Ministry should have the opportunity to have some of their requests met by EDIF. She further underscored the importance of agencies accounting for all funding they receive from EDIF.

The Committee noted that most of the Authority's programmes and projects, in line with its mandate, are fully funded by EDIF.

The Committee advised that in future agencies with such proposals should, by procedure, route them through the Sector Ministry.

6.3 INCLUSION OF AGRICULTURE INTO TRADE ACTIVITIES

The Committee expressed concern that the Ministry of Trade and Industry may be placing a greater emphasis on agricultural financing to the detriment of export development when the State had in place a number of interventions for the agricultural sector.

The Minister for Trade and Industry indicated that this is not the case. She informed the Committee that to promote and sustain agro processing industries in the country, there is the need to develop the agricultural sector related to agro processing and added that the intention of the Ministry with regards to these amendments had been discussed with the MoFA.

The Minister further stated that in order to ensure that MoFA's inputs are taken on board and to avoid duplication of projects, the Bill proposes a new clause that establishes a Committee of the Board to be known as the Agricultural Development and Credit Committee which will be responsible for the management of the Agricultural Development and Credit Account. It is instructive to note that the MoFA is represented on the Board of EDIF by an officer not below the rank of a Director.

The Minister told the Committee that the inclusion of agriculture to the mandate of EDIF would be one of the ways that the agro processing industries could be assured of regular supply of agricultural inputs.

6.4 ESTABLISHMENT OF THE AGRICULTURAL DEVELOPMENT AND CREDIT COMMITTEE

The Committee observed that the Bill seeks to establish an Agricultural Development and Credit Committee as one of the committees of the Board. This committee would be responsible for

- Undertaking the necessary appraisals and studies required to determine the areas of the agricultural and agro processing sectors which need intervention
- Determine on periodic basis the areas of the agricultural and agro-processing sectors which require interventions
- Monitor and evaluate the impact of each intervention, among others

The Committee noted that the function of the proposed committee was similar to existing committees of the Board. However the function of the two Committees was not captured in the Act.

The Committee holds the view that the proposed committee should not be any different from the existing Committees. The existing Committees were established based on the objects of the Fund and therefore proposes that the objects should rather be amended.

7.0 COMMITTEE'S RECOMMENDATIONS

After careful consideration of the Bill, the Committee proposes the following amendments:-

- i. **Clause 2** - **Amendment proposed** - line 6, delete 'and the agricultural sector' and insert 'agriculture relating to agro-processing and agro processing '
- ii. **Clause 3** - **Amendment proposed** - add the following new paragraphs
(h) undertake the necessary appraisals and studies required to determine the areas of the agricultural and agro processing sectors which needs interventions;
(i) Monitoring and evaluation of the impact of intervention.
- iii. **Clause 3** - **Amendment proposed** - add a new Sub-clause as follows:

(3) the Board will submit to the Minister a quarterly report on the export development, export credit, agricultural and agro-processing activities that have benefitted from support from the Fund, and the impact of the interventions.

iv. **Clause 4 - Amendment proposed** - Sub-clause (1), line 3 after 'Agriculture' *insert* 'and Agro-processing'

v. **Clause 4 - Amendment proposed** - Sub-clause (2) - *delete*

vi. **Clause 6A - Amendment proposed** - *delete*

vii. **New Clause**

Section 2 of Act 582 amended in Sub-section (1), by the insertion of 'agriculture relating to agro processing and agro processing activities' after 'trade' in line 2.

viii. **New Clause**

Section 10A of the Act 582 inserted

Committees of the Board

(1) Without limiting Section 10, the Board shall have an Export Development and Promotion Committee, an Export Credit Facility Committee and Agriculture and Agro-processing Development and Credit Committee which shall be the technical implementation committees of the Board.

(2) The Export Development and Promotion Committee shall manage the Export Development and Promotion Account, the Export Credit Facility Committee shall manage the Export Credit facility Account and the Agriculture and Agro-processing Development and Credit Committee shall manage the Agricultural and Agro-Processing Development and Credit Account.

ix. **New Clause**

Section 11 of Act 582 of the principal enactment is amended

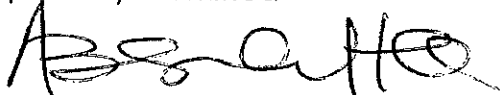
(a) in Section (1) by the insertion of 'and members of committees of the Board' after 'Board' in line 1

(b) Section (2) by adding at end 'or committee'

8.0 CONCLUSION

The Committee believes that the Bill is in line with Government's policy direction and recommends that the House adopts this report and pass the Export Development and Investment Fund (Amendment) Bill, 2011 with its amendments.

Respectfully submitted



HON. ALHAJI AMADU B. SOROGHO

CHAIRMAN



ASANTE AMOAKO-ATTA

CLERK TO THE COMMITTEE

18 July 2011

PARLIAMENT OF CANADA