

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

**REPORT OF THE  
FINANCE COMMITTEE**

**ON THE**

**2016 ANNUAL BUDGET ESTIMATES OF THE  
NATIONAL DEVELOPMENT PLANNING  
COMMISSION (NDPC)**

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*Class No AE/NDPC/2016 C4*

**REPORT OF THE FINANCE COMMITTEE ON THE 2016 ANNUAL BUDGET**  
**ESTIMATES OF THE NATIONAL DEVELOPMENT PLANNING**  
**COMMISSION (NDPC)**

**1.0 INTRODUCTION**

Following the presentation of the Budget Statement and Economic Policy of the Government for the year ending 31<sup>st</sup> December, 2016 by the Minister for Finance, Hon. Seth Terkper on Friday, 13<sup>th</sup> November, 2015, the 2016 Annual Estimates of the National Development Planning Commission (NDPC) were referred to the Finance Committee for consideration and report in accordance with Article 179 of the 1992 Constitution and Standing Order 140(4) of the Standing Orders of the House.

The Committee met and discussed the Estimates with the Director-General of the NDPC, Dr. Nii Noi Thompson, a technical team from the Commission and the Ministry of Finance and hereby present this report.

The Committee expresses its gratitude to the Director –General and the technical team for attending upon the Committee for the deliberations.

**2.0 BACKGROUND**

The National Development Planning Commission NDPC was established under Article 86 and 87 of the 1992 Constitution with a mandate to advise the President on development planning policy and strategy. The National Development Planning Commission Act, 1994 (Act 479) provides a legal framework which formally establishes the NDPC under the Office of the President. Further the

National Development Planning (Systems) Act, 1994 (Act 480) and the Local Government Act, 1993 (Act 462) makes the NDPC the national coordinating body of the Decentralized Development Planning System in Ghana. The NDPC therefore exists to:

- a. Advise the President of the Republic of Ghana (and Parliament upon request) on development policy and strategy;
- b. Prepare and ensure the effective implementation of approved national development Plans and Strategies; and
- c. Coordinate economic and social activities country-wide in a manner that will ensure accelerated and sustainable development of the country to enhance continuous improvement in the living standards of all Ghanaians.

### **3.0 GOAL AND OBJECTIVES**

The goal of the Commission for the medium term is to promote and sustain accelerated growth and sustained middle-income status. In pursuit of this goal, the Commission has identified the under-listed key policy objectives:

- a. To strengthen policy, formulation, development planning and Monitoring and Evaluation process for equitable and balanced spatial and socio-economic development; and
- b. To improve the responsiveness of the Public service in service delivery;

### **4.0 PERFORMANCE IN 2015**

The Commission during the year under review, achieved among others, the following:

- i. Embarked, as part of preparation work towards the preparation of the Long Term Development Plan (LTDP), Political mobilization and officially launched the preparation of the Plan and held stakeholder engagement on the LTDP preparation processes. Also undertook regional consultations in Ashanti, Upper East and Northern Regions. In addition, the technical Committee on the LTDP was constituted and inaugurated;

- ii. Held inter-ministerial meetings to coordinate Ghana's position on the Sustainable Development Goals (SDGs) and also prepared and launched the final Monitoring Report on the Millennium Development Goals;
- iii. Coordinated and implemented District and sector plans in line with the Ghana Shared Growth and Development Agenda (GSGDA II). The Final draft of the 2014 Annual Progress Report on the implementation of the GSGDA II (2014 – 2017) and final draft of the costing framework was prepared;
- iv. Collated and reviewed 143 Annual Progress Reports (APRs) from the Districts, 6 APRs from MDAs as well as 61 Districts and 8 MDAs Monitoring and Evaluation Plan. Also 170 and 33 District and Sector Medium Development Plans respectively (2014 – 2017) were collated and reviewed; and  
In collaboration with the Town and Country Planning Department completed work on the National Spatial Development Framework (NSDF). In addition MDAs and MMDAS were also supported to develop spatial policies and spatial development framework was developed for the savanna Accelerated Development Area including the land trust initiative.

**5.0 SUMMARY OF BUDGET ALLOCATION AND PERFORMANCE IN 2015**

In the year 2015 the Commission was allocated an amount of *Six Million, One Hundred and Seventy-three Thousand, Six Hundred and Seventy Two Ghana Cedis (GH¢6,173,672.00)* for its activities. The Amount was distributed among the cost centers of the Commission as follows:

	<i>GH¢</i>
Compensation of Employees	- 3,401,475.00
Goods and Services	- 1,772,197.00
Capital Expenditure	- 1,000,000.00

The Financial Budget performance for the period ended 30<sup>st</sup> September, 2015 is as follows:

**Table 1: Summary of 2015 Budget Allocation and Expenditure Returns**

No		2015 Approved Budget (GH¢)	Releases Jan-Sept (GH¢)	Balance on Annual budget GH¢
1	Compensation	3,401,475.00	1,703,557.80	1,697,917.20
2	Goods & Service	1,772,197.00	1,112,000.00	660,197.00
3	Capital Expenditure	1,000,000.00	0.00	1,000,000.00
4	<b>TOTAL</b>	<b>6,173,672.00</b>	<b>2,815,557.80</b>	<b>3,358,114.20</b>

Source: NDPC Budget and Expenditure performance Report

## 6.0 Outlook for 2016

In furtherance of its mandate and stated objectives the NDPC plans to undertake among others, the following activities during the 2016 financial year:

- i. Continue with the stakeholder consultations on the Long-Term National Development Plan in order to prepare the National Long Term Development Policy Framework;
- ii. Prepare the 2015 National APR on the implementation of the GSGDA II; policy,;
- iii. Prepare and disseminate Planning and M&E guidelines for districts and sectors to enhance their capacity in planning functions; and
- iv. Coordinate the implementation of Sector and District Plans.

## 6.0 2016 BUDGET ALLOCATION

For the implementation of the above programmes and activities, the Commission has been allocated a total amount of *Four Million, Nine Hundred and Ninety-three Thousand and One Ghana Cedis (GH¢4,993,001.00)* for the year 2016 to be expended as follows:

		GH¢
Employee Compensation	-	3,220,804.00
Goods and Services	-	1,772,197.00
Capital Expenditure	-	<u>0.00</u>
<b>Total allocation</b>	-	<b>4,993,001.00</b>

## 7.0 OBSERVATIONS AND RECOMMENDATIONS

### *Unapproved Expenditure*

The Committee noted that though no donor allocation was appropriated in the 2015 main Budget or the Supplementary Estimates to NDPC for the implementation of its programmes and activities, an amount **GH¢4,890,597** has been expended under donor support to the Commission as of September 2015. Further examination also revealed that the bulk of major activities carried out by the Commissions were funded out of this amount.

The Committee further noted that the above situation has been repeated in the 2016 Budget though the Commission anticipates to receive about GH¢500,000.00 donor contribution for 2016. Detailed expenditure in respect of the donor funds is attached as Appendix I.

Explaining why the donor support component of the expenditure was not captured in either the 2015 Main Budget or the Supplementary Estimates, an official of the Ministry of Finance indicated that the donor component might not have been captured in the Budgets estimates because negotiations might have been concluded after the Budget had been approved. He explained that, delays in negotiations and in some cases rigid time bound indicators force MMDA to spend these donor supports even though they might have not been appropriated in the Budget.

The Committee holds the view that delayed negotiations notwithstanding, Ministry of Finance could have projected such funds in the budget as a potential source of donor support to the Commission. This, the Committee believes would help in expenditure tracking and promote transparency and accountability.

The Committee therefore recommends to the Ministry of Finance to ensure that all income and expenditure irrespective of source of funding for Government agencies and department are captured in the Budget for each financial year.

### ***Dwindling Budgetary Support***

The Committee noted that though the Commission's programmed activities for 2016 are critical to national development, the commission continues to be faced with inadequate budgetary allocations. It was observed that for the Commission to fully implement its programmes for the year 2016, it would require an amount of GH¢13,880,200.00 for goods and services. Meanwhile, the total budgetary allocation to the Commission is GH¢646,660.00 given a variance of GH¢13,233,540.00. Notable among the activities include the activities towards the preparation of a long Term National Development Policy Framework/Plan and National Planning Model.

It was further revealed that due to the insufficient budgetary allocations over the years, NDPC has been relying on the benevolence of development partners to fund most of its operations. Furthermore, the insufficient budgetary allocations has led the Commission to face the challenges of inadequate logistics, limited office space, over-aged vehicles which frequently breakdown resulting in high cost of maintenance and inability to recruit adequate technical staff.

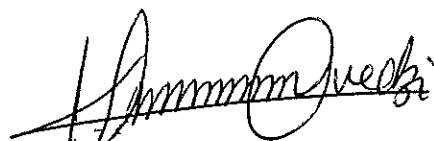
Considering the importance of the Commission and the fact that its functions are critical to attainment of full middle income status as envisaged in the GSGDA II and the overall development of the country, the Committee recommends to the

Ministry of Finance to reconsider the Commissions allocation, and provide additional funds possibly from the contingency vote to support the implementation of the Commissions activities particularly, the activities towards the preparation of a long Term National Development Policy Framework/Plan and National Planning Model and the Capital expenditure. The detailed budgets for the two activities are respectively attached as Appendices II and III for the information of the House.

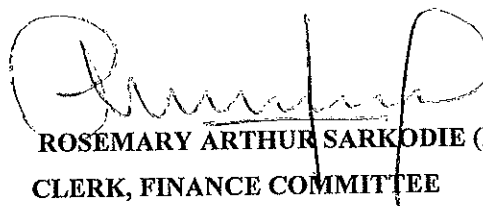
#### 8.0 CONCLUSION

The Committee, after carefully examining the 2016 Annual Estimates of the National Development Planning Commission, having regards to the strategic role of the Commission in the development drive of the country, recommends that, the House approves the sum of *Four Million, Nine Hundred and Ninety-three Thousand and One Ghana Cedis (GH¢4,993,001.00)* to enable the Commission implement its programmes and activities for the 2016 financial year.

Respectfully submitted.



HON. JAMES KLUTSE AVEDZI  
CHAIRMAN, FINANCE COMMITTEE



ROSEMARY ARTHUR SARKODIE (MRS.)  
CLERK, FINANCE COMMITTEE

*December, 2015*



## NATIONAL DEVELOPMENT PLANNING COMMISSION

## ACTIVITIES UNDERTAKEN WITH DONOR CONTRIBUTIONS IN 2015 (JANUARY – OCTOBER)

NO.	ACTIVITY UNDERTAKEN	AMOUNT UTILISED (GHC)	DONOR
1.	National launch and regional consultations on the preparation of long-term national development plan	3,374,259.44	United Nations Development Programme (UNDP)
2.	Preparation of results framework for Ghana Shared Growth and Development Agenda	534,643.00	Department for International Development (DFID)
3.	Participation in financing for development summit and SDGs Conference Preparation of Factsheet on Demographic Dividend	181,304.88	United Nations Population Fund (UNFPA)
4.	Citizens Assessment survey on the Capitation Grant: Field survey including focus group discussions National launch of Final Report Regional Dissemination of findings	479,791.00	United Nations Children's Fund (UNICEF)
5.	Monitoring and Evaluation capacity building; Procurement of equipments such as computers, printer tonners, etc.	118,328.68	Japan International Cooperation Agency (JICA)
6.	Procured computers, central servers, scanners and other equipments under Capacity Development Mechanisms Programme	140,000.00	Ghana Canada Program Support Unit
7.	Prepared issue papers on social protection, education and nutrition linkages; Organized series of working group meetings; Prepared draft Nutrition Guidelines on nutrition	62,270.00	World Food Programme (WFP)
	<b>TOTAL</b>	<b>4,890,597.00</b>	

**NATIONAL DEVELOPMENT PLANNING COMMISSION  
 DETAILED BUDGET FOR ACTIVITIES TOWARDS THE PREPARATION OF A LONG-TERM NATIONAL DEVELOPMENT (LTNDP)  
 POLICY FRAMEWORK/PLAN IN 2016**

<b>Activities</b>	<b>Sub-activities</b>	<b>BUDGET (GHS)</b>
1. Long Term National Development Policy Plan	1.1 Technical Consultations	830,000.00
	1.2 District Level Consultations	1,248,000.00
	1.3 Cross Sectoral Planning Group (CSPG) Technical meetings	660,000.00
	1.4 Engagement of Consultants to provide specialised services including forecasting, aerial photography of cities, National Infrastructure Plan, National Human Resource Development Plan and Economic Growth Strategy	882,000.00
	1.5 Review draft Long-Term Policy Plan by Commissioners	540,000.00
	1.6 Regional and Parliamentary Validation of draft Policy Plan	2,684,000.00
	1.7 Printing	500,000.00
	1.8 National Launch of Long-Term Development Plan	252,000.00
	1.9 Dissemination of Long-Term Development Plan	1,000,000.00
	1.10 Media Campaign	908,000.00
	1.11 Logistics	300,000.00
	<b>Sub Total</b>	<b>9,804,000.00</b>
	<b>2% Contingency</b>	<b>196,080.00</b>
	<b>Grand Total</b>	<b>10,000,080.00</b>

# APPENDIX III

## NATIONAL DEVELOPMENT PLANNING COMMISSION DETAILED BUDGET FOR ACTIVITIES TOWARDS THE PREPARATION OF A NATIONAL PLANNING MODEL IN 2016

Activity	Sub-activities	Expenditure item	Frequency	Quantity	Unit Cost	Total Cost	
Development of National Planning Model	Engagement of resource persons	Professional fees	60	2	550.00	66,000.00	
		Review of existing sectoral model	10	15	100.00	15,000.00	
	Hold national forum of experts on planning model at NDPC	Conference Package	Allowances	3	40	500.00	60,000.00
			Allowances	3	40	700.00	84,000.00
			Conference Package	3	40	800.00	96,000.00
	Commissioners review and approve national planning model	Equipment Cost		1	1	16,619.05	16,619.05
	<b>Sub-Total</b>						<b>397,619.05</b>
	<b>5% Contingency</b>						<b>19,880.95</b>
	<b>Grand Total</b>						<b>417,500.00</b>