

IN THE THIRD MEETING OF THE SECOND SESSION OF THE SEVENTH PARLIAMENT OF THE
FOURTH REPUBLIC OF GHANA

PARLIAMENT OF GHANA LIBRARY

REPORT OF THE FINANCE COMMITTEE ON THE BUDGET ESTIMATES
FOR THE MINISTRY OF PLANNING FOR 2019

1.0 INTRODUCTION

The 2019 Budget Estimates for the Ministry of Planning was laid in the House on Thursday, 15th November, 2018 and referred to the Finance Committee for consideration and report in accordance with the Constitution and Standing Orders of the House. This referral followed the presentation of the 2019 Budget Statement and Economic Policy of the Government to the House by the Hon. Minister for Finance Mr. Ken Ofori-Atta.

The Committee, in considering the estimates met with the Minister for Planning, Hon. Prof Gyan Baffour and officials from the Ministries of Planning and Finance.

2.0 BACKGROUND

The Ministry of Planning provides executive direction to the formulation and coordination of national plans including the Coordinated Programme, the Medium-Term Plan and other national plans.

As part of its core functions, the Ministry is to:

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- facilitate the preparation of Coordinated Programme of Economic and Social Development Policies of the President for submission to Parliament.
- facilitate the preparation of the Medium-Term Development Policy Framework and undertake development planning in consultation with the National Development Planning Commission.
- co-ordinate the implementation of national plans, and the monitoring and evaluation of the efficiency and effectiveness of the performance of the Sector.
- provide strategic direction for the delivery of effective planning for all Sectors of the economy.
- undertake research and collate research as may be necessary for effective planning and knowledge sharing.
- facilitate and make proposals or provide policy direction on population growth, spatial and infrastructure expansion.
- communicate national plans to stakeholders with the aim of influencing public policy.
- coordinate and ensure the integration of international and universal benchmarks such as the Sustainable Development Goals and the African Union's Agenda 2063 in national plans.
- facilitate and coordinate a national project appraisal system through the establishment of the national project bank.

In addition to the functions above, the Ministry also works towards achieving the overall goal of facilitating industrialization, job creation and balanced spatial development for rapid socio-economic growth.

3.0 PERFORMANCE FOR 2018

In line with the mandate of the Ministry, the following achievements were recorded in 2018. The Ministry:

- organized the official launch of the Coordinated Programme of Economic and Social Development Policies (CPESDP) by his Excellency the President, in April 2018. It also facilitated the completion of the document on Coordinated Programme of Social and Economic Policies;
- in partnership with the Private Sector and Civil Society, disseminated the CPESDP throughout the country. The dissemination exercise targeted a cross-section of the public, including state and non-state actors, engendering ownership and buy-in by all citizens;
- facilitated the preparation of the Medium-Term Development Policy Framework prepared by the National Development Planning Commission (NDPC) to respond directly to the CPESDP;
- has so far organized nine (9) Policy dialogue series to identify and address challenges in development planning using a cross-sectional approach with focused discussions on major issues affecting national planning and development. Through the dialogue series, broad inputs were provided, and consensus built to inform evidence-based policy interventions. The topics discussed this year included:
 - i) Mining and the Sustainable Development Goals (SDGs): Policy Intervention to promote sustainable mining in Ghana.
 - ii) Leaving no one hungry-achieving the targets of SDG2.
 - iii) Making clean cooking a national priority.
 - iv) Achieving universal access to clean cooking.
 - v) Effective revenue capture in the upstream petroleum industry; a key to enhancing inclusive growth.
- held three (3) coordination meetings of the High Level Ministerial Committee (HLMC) on the SDGs, which is under the Chairmanship of the Hon. Minister responsible for Planning and its Secretariat, housed in the Ministry.

- organized the Second African Population Experts Meeting and the First meeting of Minister in charge of Population under the auspices of the African Union. The meeting brought together over 350 delegates from Fifty-one (51) member states of the African Union and culminated in the adoption of a common African Position on Population and Development to be presented to heads of Government in 2019.
- coordinated the establishment of the Inter-Agency Modelling and Analysis Team (IMAT) to review existing models, build the capacity of modelers in the Ministries of Finance, Bank of Ghana, Ministry of Planning, and Office of the Vice President, Ghana Statistical Service and the National Development Planning Commission among others to ensure consistency in national economic and non-economic estimates.

The Ministry also partnered the Office of the Vice President, the Ghana Statistical Service, the National Development Planning Commission, Ministry of Finance, Bank of Ghana and other stakeholders to develop a national macroeconomic model.

In line with the Petroleum Revenue Management Act, the Ministry collaborated with the Ministries of Finance and Local Government and Rural Development, to train Development Planning Officers in all District Assemblies in order to monitor and report on the expenditure/investment of the Annual Budget Funding Amount for all funded projects from 2013 to 2016. This is part of the Petroleum Revenue Information System Project which seeks to enhance transparency, accountability, reduce ghost projects, monitor and help decentralize oil revenue investments.

3.1 Financial Performance for 2018

For the implementation of the above-stated objectives and planned activities for 2018, a sum of Three Million, Two Hundred and Sixty-Two Thousand, Seven Hundred and Twenty Ghana Cedis (GH¢3,262,720.00) was allocated

to the Ministry. Out of this budgeted amount, only One Million, Nine Hundred and Seventy One Thousand, Two Hundred and Sixty-One Ghana Cedis, Sixty-Five Pesewas (GH¢1,971,261.65) was spent, leaving a variance of One Million, Two Hundred and Ninety-One Thousand, Four Hundred and Fifty-Eight Ghana Cedis, Thirty Five pesewas (GH¢1,291,458.35). Table 1 shows the expenditure trends for 2018:

Table 1: Expenditure Trends up to September, 2018

ITEM	BUDGETED	RELEASED	EXPENDITURE	VARIANCE
	(A)	(B)	(C)	(A-C)
COMPENSATION	350,000.00	256,144.00	256,144.00	93,856.00
GOODS & SERVICES	2,412,720.00	1,784,963.20	1,230,117.65	1,182,602.35
ASSET	500,000.00	485,000.00	485,000.00	15,000.00
TOTAL	3,262,720.00	2,526,107.20	1,971,261.65	1,291,458.35

4.0 OUTLOOK FOR 2019

For 2019, the Ministry of Planning has outlined a number of programmes and activities which include:

- establishing a Sustainable Development Goal (SDG) Resource Centre, and facilitating SDG Interventions and cases at the District level and reporting on inclusive growth.
- facilitating a strong linkage among MDAs, MTDP and Annual Action Plans, Annual budgets and Implementation to respond to the National Vision.

- ensuring VFM for Public projects at the MDA level through effective Project Appraisal and Monitoring with Summer School for Planning Officers and PRIS system.
- Continue with engagement with key stakeholders and interest groups on the dissemination and implementation of the Coordinated Programme.

4.1 Financial Outlook for 2019

For the implementation of its programmes and objectives, the Ministry of Planning has been allocated a sum of Two Million, Six Hundred and Sixty-Eight Thousand Ghana Cedis (GH¢2,668,000) for the 2019 financial year. The details are captured in Table 2 below:

Table 2: Budgetary Allocation for 2019

	Item	Amount Allocated (GoG)
1	Compensation of employees	390,250.00
2	Goods and Services	1,375,250.00
3	Capital expenditure	902,500.00
	Total	2,668,000.00

5.0 OBSERVATIONS

5.1 Use of CAPEX

In a response to what the Ministry's CAPEX was used for, the Committee was informed that the amount of GH¢485,000 released as CAPEX in 2018 was used to purchase a pick-up vehicle, a saloon car and two motorbikes, office equipment and furniture.

The Minister explained that because it is new, the Ministry of Planning needs a lot of logistics to enable it undertake its mandate. He said in furtherance of

this, the Ministry would continue to apply its CAPEX for 2019, on vehicles, office equipment, computers and furniture.

5.2 Challenges facing the Ministry

Challenges facing the Ministry include limited office space to facilitate the recruitment of required staff to undertake its mandate and inadequate staff

The Committee was informed that if these issues are addressed, the Ministry would be able to execute its mandate more effectively.

5.3 Donor Support

In a response to whether the Ministry benefited from any donor support in the year 2018, the Minister for Planning answered in the negative.

5.4 Submission of Performance Report on Budget Implementation

Section 27 (1) of the Public Financial Management Act, 2016 (Act 921) provides that each principal account holder shall, within the first quarter of the ensuing year after the Minister submits the annual budget to Parliament, submit to Parliament, a performance report on budget implementation for the preceding financial year.

As to whether the afore-mentioned provision had been complied with, the Minister conceded that the Ministry had not complied with the provision and that going forward, it would take steps to comply with the law.

6.0 CONCLUSION

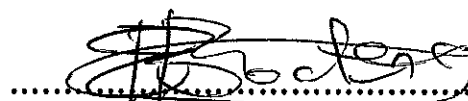
The Committee having critically examined the Budget Estimates of the Ministry of Planning, respectfully recommends to the House to adopt this report and approve the sum of Two Million, Six Hundred and Sixty-Eight Thousand Ghana Cedis (GH¢2,668,000) for the implementation of the programmes of the Ministry of Planning for the 2019 financial year.

Respectfully submitted.



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HON. DR. MARK ASSIBEY-YEBOAH
(CHAIRMAN, FINANCE COMMITTEE)



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EVELYN BREFO-BOATENG
(CLERK, FINANCE COMMITTEE)

ASSUMPTIONS UNDERLYING OTHER GOVERNMENT OBLIGATIONS FOR 2019 BUDGET

SRN.	EXPENDITURE ITEM	2019 ASSUMPTIONS	AMOUNT (in GH¢)
11	Amortisation	Projected as total external principal repayments due on Central Government debt plus 25% of external principal repayments due on external government guaranteed loans and converted at the programmed exchange rate.	5,331,065,107
12	Other Transfers (ESLA)	<ul style="list-style-type: none"> • Portion of the ESLA earmarked for the restructuring of the energy sector legacy debt and transferred to the ESLA PLC (i.e. Energy Debt Recovery Levy); • Portion collected and retained by the electricity distribution companies and the Ministry of Energy (Public Lighting Levy and National Electrification Scheme Levy) and the Price Stabilisation & Recovery Levy (40% of which is used to support Premix and RFO and the remaining 60% used for government's petroleum price risk management and also mitigate the adverse impact of volatilities on the international crude oil market). 	2,288,294,797
12a	Energy Debt Recovery Levy	Energy Debt Recovery Levy is calculated as GHp41/litre on petrol and diesel, GHp3/litre on marine gas oil, GHp4/litre on fuel oil and GHp37/kg on LPG.	1,609,992,238
12b	Public Lighting Levy	Public Lighting Levy is 3% per price of kWh of electricity charged on all categories of consumers.	247,660,997
12c	National Electrification Scheme Levy	National Electrification Scheme Levy is 2% per price of kWh of electricity charged on all categories of consumers.	160,250,828
12d	Price Stabilisation and Recovery Levy	Price Stabilisation and Recovery Levy is calculated as GHp12/litre on petrol, GHp10/litre on diesel, GHp10/kg on LPG	270,390,734
Total			40,617,423,468