



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

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

**ON THE**

**2015 BUDGET ESTIMATES**

**OF THE**

**MINISTRY OF DEFENCE**

**December 2014**



# **REPORT ON THE BUDGET ESTIMATES FOR THE MINISTRY OF DEFENCE FOR THE FINANCIAL YEAR 2015**

## **1.0 INTRODUCTION**

The Budget Statement and Economic Policy of the Government of Ghana for the 2015 financial year was presented to Parliament by the Hon. Minister of Finance, Mr. Seth Emmanuel Terkper, on Wednesday 19<sup>th</sup> November, 2014, in accordance with Article 179(1) of the 1992 Constitution of Ghana.

**1.1** The draft Budget Estimates of the Ministry of Defence (MOD) 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, Senior Officers of the Military High Command, as well as Officials of the Ministry of Defence and of Finance, and, thoroughly deliberated on the proposed allocations made to the Ministry.

The Committee expresses gratitude to the Hon. Minister, Senior Officers of the Military High Command, and Officials who acknowledged its invitation and attended upon it.

## **2.0 REFERENCE DOCUMENTS**

The 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 2015 financial year.
- iv. The MTEF Programme Based Budget Estimates (2015) for the MOD.

### **3.0 BACKGROUND OF THE MINISTRY OF DEFENCE**

The Ministry of Defence exists to formulate and implement national defence policies relating to the total defence of the nation including, defending the territorial integrity of Ghana by land, sea and air. Its goal is to ensure security and adequate protection of life, property and the rights of all nationals, within a democratic environment. Against this backdrop, the Ministry intends to undertake three (3) strategic projects within the financial year 2015.

#### **3.1** The Ministry's operations cover the following:

- (a) Ministry of Defence Headquarters (MOD HQ)
- (b) General Headquarters (GHQ) of the Ghana Armed Forces
- (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) Kofi Annan International Peacekeeping Training Center (KA IPTC)
- (i) Veterans Administration, Ghana
- (j) 37 Military Hospital (37)
- (k) Defence Advisors

### **4.0 PERFORMANCE FOR 2014**

**4.1** The Ministry was confronted with a number of challenges in implementing its programs, projects and general operations during the financial year 2014 due to budgetary constraints. The low budgetary ceilings for Goods and Services and Non-financial assets Votes adversely affected the routine maintenance, running of equipment, upgrading of some facilities and the completion of on-going housing projects.



**4.2** Delay in the release of approved funds and the time lag between actual crediting of accounts led to losses especially where foreign exchange components were involved.

**4.3** Despite the constraints, the MOD was able to live up to its task of defending our territorial boundaries and interests as well as:

- Providing adequate surveillance of our airspace and international borders.
- Improvement in combating violent crimes and in managing armed robbery attacks on the highways (in conjunction with the Police and other security agencies).
- Effectively monitored and controlled our maritime resources.
- Provided improved security for the off-shore oil and gas fields.
- Provided an improved Troop-Lift-Capacity by air for emergency and peace support operations.
- Contributed troops and equipment towards international peace keeping and building efforts.
- Provided In-service Training for 450 other ranks in the Ghana Armed Forces.
- Collaborated with Local Authorities to curb environmental degradation (illegal logging and mining).
- Construction work on the 500-bed capacity Military Hospital complex in Kumasi started.

## **5.0 OUTLOOK FOR 2015**

The Ministry would not take for granted, the peace that currently exists in the country. It intends to step up its effectiveness and operational readiness for the continuous maintenance of territorial peace and security.

It aims to achieve this through proper maintenance of its assets and the general welfare of its personnel.

The Ministry of Defence in accordance with the Programme-Based Budgeting intends to undertake three (3) major programmes with fourteen (14) sub-programmes in 2015, for which a total of **GH¢880,461,222.00** has been allocated.

## **5.1 PROGRAMME 1: MANAGEMENT AND ADMINISTRATION**

Under this Programme, the Ministry will initiate, formulate, implement, monitor and evaluate Defence Policies to ensure National cohesion and territorial integrity. The program covers all support services offered by the Defence Headquarters and its departments through the delivery of five sub-programmes for which a total of **GH ¢7,297,114.00** has been allotted. The five Sub- programmes are:

### **5.1.1 Finance and Administration**

To ensure effective and efficient mobilization of resources, financial management and reporting, activities will be coordinated through the Office of the Chief Director and Director of Finance and Administration. An amount of **GH¢2,054,842.00** has been allotted for General Administration and **GH¢ 3,229,250.00** for Finance, totaling **GH¢5,284,092.00**.

### **5.1.2 Human Resource**

This sub-programme exists to ensure the availability of human resource capacity to meet the needs of the Ministry. It involves capacity support for competent and well-motivated staff who will implement MOD policies and programmes throughout the year. An amount of **GH ¢316,200.00** has been allotted.

### **5.1.3 Policy Planning, Monitoring and Evaluation**

This sub-programme seeks to formulate, implement, monitor and evaluate policies, programmes and projects of the Ministry, including implementing workplace HIV/AIDS programmes and gender mainstreaming initiatives. The amount allocated is **GH¢247,550.00**.

### **5.1.4 Research and Defence Cooperation**

Research and Defence Cooperation Sub-programme, with **GH¢90,000.00** seeks to establish a well-resourced statistical database to support policy formulation. It coordinates information relating to defence and security matters including MOUs and Defence Cooperation Agreements. It will undertake research into national, regional, international defence, peace and security issues.

### **5.1.5 Veterans Administration**

This Sub-programme seeks to promote the welfare of military veterans and their dependants through the administration of medical, rehabilitation care and welfare schemes. An amount of **GH¢1,359,272.00** has been allotted, including IGF of **GH¢150,200.00**.

## **5.2 PROGRAMME 2: THE GHANA ARMED FORCES**

With an amount of **GH¢872,387,946.00** the Ghana Armed Forces, comprising the General Headquarters, the Army, Navy and Air Force, will continue to defend the territorial integrity of Ghana by land, sea and air against internal and external aggression. **It has six (6) Sub-Programmes which are:**

### **5.2.1 General Headquarters (GHQ)**

The General Headquarters exists to implement policies and programmes formulated by MOD, ensure adequate budgetary allocation for GAF and co-ordinate, monitor and evaluate activities of various programmes under the GAF. It has a budget allocation of **GH¢753,394,710.00**.



### **5.2.2 Land Operations (GHANA ARMY)**

This Sub-programme with a budgetary allocation of **GH¢932,892.00** looks at the Command and Control activities of the Ghana Armed Forces in safeguarding the territorial integrity of Ghana against external aggression and in assisting civil authorities in maintaining and/or restoring law and order.

### **5.2.3 Naval Operations (NAVY)**

Under this sub-programme, the Ghana Navy will continue to serve as deterrence against any potential aggressor and protect the maritime resources through the enforcement of maritime laws in collaboration with other agencies within Ghana's maritime jurisdiction. A total of **GH¢1,254,728.00** is given.

### **5.2.4 Air Operations (AIR FORCE)**

The Ghana Air Force aims at protecting and defending the territorial airspace of Ghana in support of national peace, stability and prosperity. With a budget of **GH¢6,454,774.00**, it will also provide air transport support to the Armed Forces and civil authorities.

### **5.2.5 Military Health Service**

Healthcare in the Military is provided by the Ghana Armed Forces Medical Service (GAFMS) made up of the base hospital which is the 37 Military Hospital and seventeen (17) Medical Reception Stations (MRSs). Seventy percent (70%) of GAFMS' clientele are civilians. The budget allocation is **GH¢88,647,043.00**.

### **5.2.6 Defence Advisors**

The Defence Advisors are attached to the various High Commissions/Embassies to advice on Defence related issues and serve as liaison between host countries and GAF. An amount of **GH¢21,703,799.00** is allocated.



### **5.3 PROGRAMME 3: ARMED FORCES CAPACITY BUILDING**

This programme, with **GH¢776,162** exists to contribute to the development of regional and sub-regional capacity in the delivery of integrated peace support operations, and, enhancing regional and sub-regional capacity for conflict prevention. The Programme is delivered through MATS, GAFSC and KAIPTC.

**This Programme has three (3) Sub-Programmes which are:**

#### **5.3.1 Military Academy and Training Schools (MATS)**

MATS, made up of fifteen schools which run specialist courses at Teshie, Burma Camp and Achiase, is responsible for the initial training of personnel enlisted for commission into Ghana Armed Forces and to provide continuous training for service personnel. It has a budgetary allocation of **GH¢246,660.00**.

#### **5.3.2 Ghana Armed Forces Command and Staff College (GAFSC)**

GAFSC will continue to offer quality Command Staff training at both tactical and operational levels, together with higher academic studies up to Post Graduate level, to Officers of the GAF, sister Security Services and Public Servants. An amount of **GH ¢479,492.00** is made available.

#### **5.3.3 Kofi Annan International Peacekeeping Training Centre (KAIPTC)**

Kofi Annan International Peacekeeping Training Centre (KAIPTC) will contribute to the development of regional and sub-regional capacity in the delivery of integrated peace support operations and enhance sub/regional capacity for conflict management. **GH¢50,010.00** is allocated.

**5.4** To this end, the Ministry intends to continuously train the forces, ensure that medical care is accessible to them, procure clothing and protective gear, as well as essential stores, including ammunition. In ensuring the welfare of personnel, the Ministry needs adequate budget for feeding, medical insurances and the completion of housing projects.

## 6.0 ESTIMATES FOR FISCAL YEAR 2015

To meet the Programmes mentioned above, the Ministry of Defence has been granted a total sum of **Eight Hundred and Eighty Million, Four Hundred and Sixty One, Two Hundred and Twenty Two Ghana Cedis (GH¢880,461,222.00)** for the 2015 financial year. Out of the amount **GH¢667,010,250.00** is GoG, **GH¢13,974,055.00** is IGF and **GH¢199,476,917.00** is Development Partner Funds.

The Budgetary allocation made to the three (3) main Programmes and fourteen (14) sub-programmes is shown in the table below:

### 6.1 BUDGETARY ALLOCATION TO PROGRAMMES & SUB PROGRAMMES

No.	PROGRAMME/ Sub-Programme	GoG (GHC)	IGF (GHC)	Donors (GHC)	Totals (GHC)
1.0	<b>MANAGEMENT &amp; ADMINISTRATION</b>	7,146,914	150,200	0	7,297,114
1.1	Finance and Administration	5,284,092	0	0	5,284,092
1.2	Human Resource	316,200	0	0	316,200
1.3	Policy Planning, Monitoring and Evaluation	247,550	0	0	247,550
1.4	Research & Info. Management	90,000	0	0	90,000
1.5	Veterans Affairs	1,209,072	150,200	0	1,359,272
<b>2.0</b>	<b>GHANA ARMED FORCES</b>	<b>659,087,174</b>	<b>13,823,855</b>	<b>199,476,917</b>	<b>872,387,946</b>
2.1	General Headquarters	631,940,182	0	121,454,528	753,394,710
2.2	Land Operations	932,892	0	0	932,892
2.3	Naval Operations	1,254,728	0	0	1,254,728
2.4	Air Operations	1,305,041	0	5,149,733	6,454,774
2.5	Military Health Service	1,950,532	13,823,855	72,872,656	88,647,043
2.6	Defence Advisors	21,703,799	0	0	21,703,799
<b>3.0</b>	<b>ARMED FORCES CAPACITY BUILDING</b>	<b>776,162</b>	<b>0</b>	<b>0</b>	<b>776,162</b>
3.1	Military Academy and Training Schools	246,660	0	0	246,660
3.2	Ghana Armed Forces Command and Staff College	479,492	0	0	479,492
3.3	KAIPTC	50,010	0	0	50,010
	<b>TOTALS</b>	<b>667,010,250</b>	<b>13,974,055</b>	<b>199,476,917</b>	<b>880,461,222</b>

**6.2** An amount of **GH¢13,974,055.00** and **GH¢199,476,917.00** which represents the IGF and Development Partner components is given to service Capital Expenditure, Goods and Services. The allocation of these funds is further illustrated in Table 6.2.1 below:

**6.2.1 2015 ALLOCATION OF FUNDS TO THE MINISTRY OF DEFENCE**

ITEM	GoG	IGF	EXTERNAL	TOTALS (GHC)
Compensation	614,931,845	0	0	614,931,845
Goods and Services	48,078,405	13,974,055	39,895,383	101,947,843
CAPEX	4,000,000	0	159,581,534	163,581,534
<b>TOTALS</b>	<b>667,010,250</b>	<b>13,974,055</b>	<b>199,476,917</b>	<b>880,461,222</b>

**7.0 OBSERVATIONS & RECOMMENDATIONS**

The Committee observed that the Ministry will be confronted with serious challenges in implementing its planned programs and projects for 2015. The low level of budgetary allocation will adversely affect operations and have negative long-term effects on its capacity and readiness to effectively respond in crisis situations. It is expected that military personnel will be actively engaged in training all year round, yet this cannot be effected without appropriate training gear, ammunition and equipment. The current level of budgetary allocation will not permit the Ministry to buy enough ammunition, food and other logistics to hold regular training sessions.

**7.1** The Committee notes that there is undue delay in the release of funds for implementation of programs and, for payments for food, fuel, goods and services taken on credit. The time lag between the release of funds and the actual crediting of accounts leads to losses, especially where foreign exchange components are involved.



**7.2** Furthermore, the Committee observed that the non-release of funds adversely affected the upgrading of facilities, routine maintenance and running of existing equipment. The situation prevented the completion of on-going projects, including housing, whilst personnel work and live in very dilapidated structures.

**7.3** There are indications that the Ministry will need **GH¢ 40,712,000.00** extra budgetary allocation to procure ship and aviation fuel as well as fuel for land forces to operate. An extra budgetary allocation of **GH¢11,060,000.00** is needed to take care of Utilities and **GH¢ 25,701,200.00** for Custom/ Clearing Charges.

**7.4** The Committee is of the view that the only way Ghana will benefit massively from the huge capital investments made in the past to acquire assets for the Ghana Armed Forces, is to ensure the effective deployment of all the equipment to protect the territorial integrity of Ghana. In this vein, sufficient funds ought to be released to meet the running and maintenance costs of these projects and programmes.

**7.5** The Committee recommends that the Ministry of Finance takes over the payment of MOD's critical outstanding liabilities, made up of:

Gratuities (June2014)	-	GH¢7,556,736.46
Outstanding Rent	-	GH¢2,380,680.00
Clothing	-	GH¢ 264,518.25
Petroleum Products	-	GH¢7,692,650.25
Grand Total	-	<b>GH¢17,894,584.96</b>

It is the Committee's view that this action would be mutually beneficial to both parties.



## 8.0 CONCLUSION

The Committee, after careful scrutiny of the Draft Estimates, is of the view that the level of budgetary allocation made to the Ministry of Defence falls far below its minimum requirements.

It is therefore imperative that the Ministry of Finance finds and makes extra budgetary allocation to support the programmes of the MOD. This will ensure the effectiveness and operational readiness of the Armed Forces in the provision of security to the State.

This notwithstanding, the Committee recommends to the House for approval, the total budgetary allocation of **Eight Hundred and Eighty Million, Four Hundred and Sixty One Thousand, Two Hundred and Twenty Two Ghana Cedis (GH¢880,461,222.00)** made to the Ministry of Defence for the financial year ending 31<sup>st</sup> December 2015.

Respectfully submitted,



**FRITZ BAFFOUR (HON)**  
CHAIRMAN, COMMITTEE ON  
DEFENCE & INTERIOR



**GLORIA SARKU**  
CLERK, COMMITTEE ON  
DEFENCE & INTERIOR

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