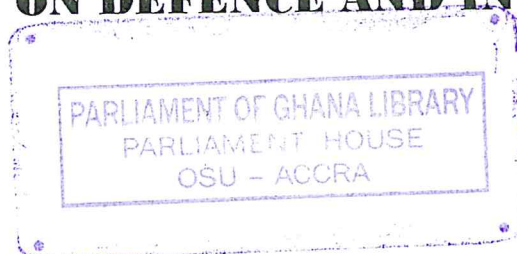


IN THE FIRST SESSION OF THE SEVENTH PARLIAMENT OF THE
FOURTH REPUBLIC OF GHANA

REPORT

OF THE

COMMITTEE ON DEFENCE AND INTERIOR



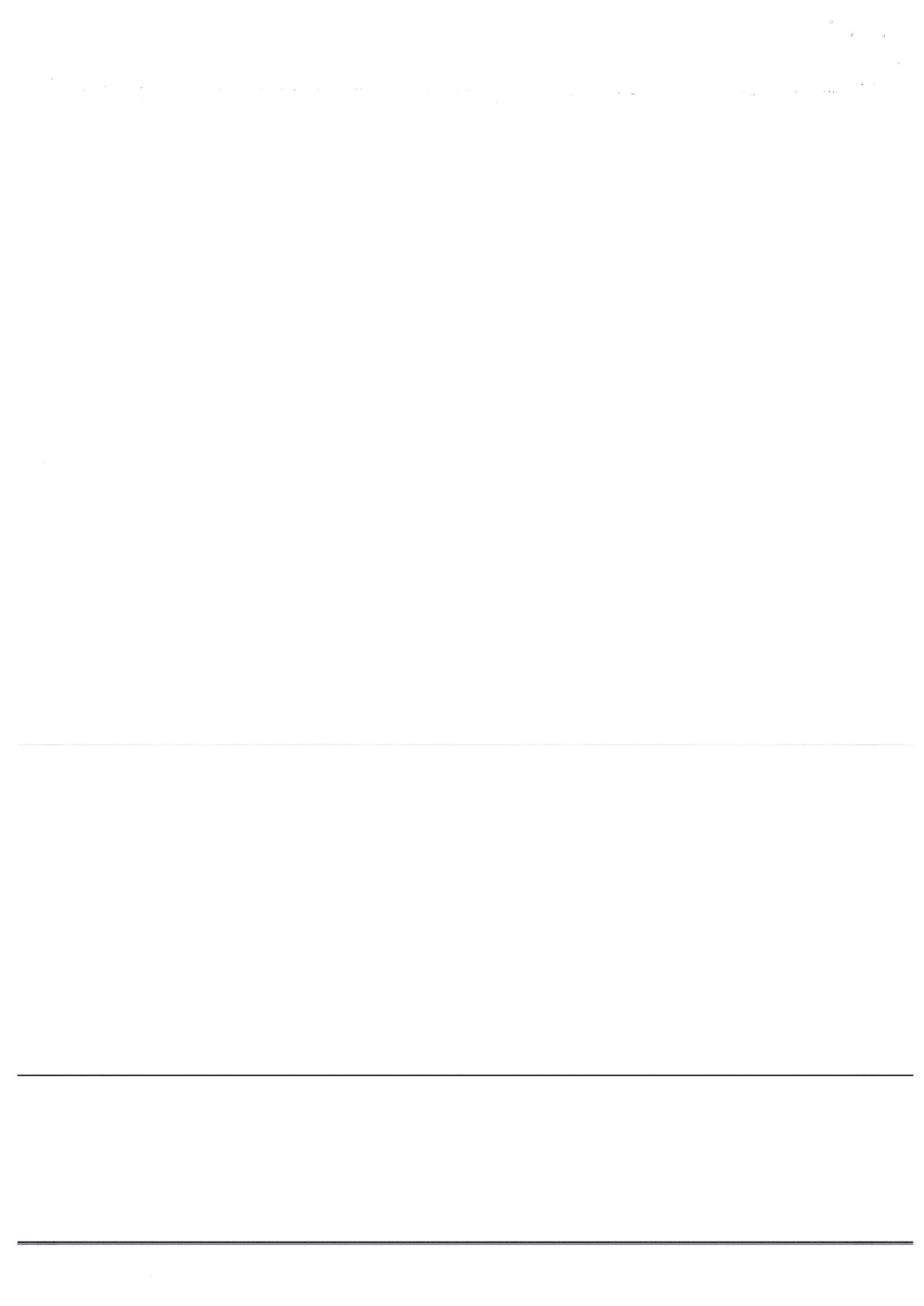
ON THE

2017 BUDGET ESTIMATES

OF THE

MINISTRY OF DEFENCE

March, 2017



IN THE FIRST SESSION OF THE SEVENTH PARLIAMENT OF
THE FOURTH REPUBLIC OF GHANA

REPORT OF THE COMMITTEE ON DEFENCE AND INTERIOR

ON THE

2017 BUDGET ESTIMATES

OF THE

MINISTRY OF DEFENCE

REPORT ON THE BUDGET ESTIMATES FOR THE 2017 FINANCIAL YEAR FOR THE MINISTRY OF DEFENCE

1.0 INTRODUCTION

The Budget Statement and Economic Policy of the Government of Ghana for the 2017 financial year was presented to Parliament by the Hon. Minister of Finance, Ken Ofori Attah, on Thursday 2nd March, 2017 in accordance with Article 179(1) of the 1992 Constitution of Ghana.

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.

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, and the officials of the Ministries of Defence and Finance 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 2017 financial year.
- iv. The MTEF Programme Based Budget Estimates (2016) for the MOD.

3.0 BACKGROUND OF THE MINISTRY OF DEFENCE

The Ministry of Defence (MOD) exists to formulate and implement national defence policies relating to internal and external security and 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 programmes within the financial year 2017.

3.1 The Ministry's operations cover the following:

- Ministry of Defence Headquarters (MOD HQ)
- General Headquarters (GHQ) of the Ghana Armed Forces
- Ghana Army
- Ghana Navy
- Ghana Air Force
- Ghana Armed Forces Command and Staff College (GAF CSC)
- Military Academy & Training School (MATS)
- Kofi Annan International Peacekeeping Training Center (KA IPTC)
- Veterans Administration, Ghana
- 37 Military Hospital
- Defence Advisors

4.0 **PERFORMANCE FOR 2016**

For the year 2016, the Ministry of the Defence through its programs provided adequate surveillance of our airspace and international borders, collaborated with other security agencies to check illegal logging and mining to curb environmental degradation and also contributed troops and equipment towards international peace efforts. With the approved budget of GH¢ 887.126m, the Ministry was able to undertake administration alongside other programs.

Table 1.0 PERFORMANCE REVIEW OF 2016 BUDGET – ALLOCATION

SRL	ITEM	FY 2016 APPROVED BUDGET (GH¢ M)	EXPENDITURE AS AT 30 NOV, 2016 (GH¢ M)	BALANCED BUDGET	
				GH¢M	%
A	B	C	D	E	F
1	Compensation of Employees	600.288	746.559	-152.93	-25.48
2	Goods & Services	24.039	24.039	0.000	-
3	Non-Financial Assets	0.000	0.000	0	0
4	Retained IGF	14.821	17.534	2.713	18.13
5	Donor/Loans	247.978	0	0	-
TOTAL		887.126	788.132		

5.0 **CHALLENGES AND LESSONS LEARNT FROM 2016**

- Lack of CAPEX vote adversely affected the acquisition of equipment as well as completion of on-going projects.
- Inadequate provision of goods and services vote affected routine maintenance of vehicles and equipment's of the ministry.
- Fewer personnel were sponsored for training both local and international due to constrain on budget.
- Food and fuel bills as part of goods and services put a constrain on management of goods and services budget.
- Despite the constraints, the MOD₁ was able to live up to its task of defending our territorial boundaries and interests as well as:
 - Conducting aerial patrols.
 - Recruitment of other ranks into the GAF is on-going. Training is expected to end by April 2017. Second phase is yet to commence
 - Effectively monitored and controlled our maritime resources.
 - Provided improved security for the off-shore oil and gas fields.
 - Contributed troops and equipment towards international peace keeping and building efforts.
 - Enlistment of Officer Cadets into the Ghana Armed Forces.
 - Conducted operational level training for 96 Staff Officers at junior and senior levels at the Ghana Armed Forces Command and Staff College (GAFCSO)
 - Provided assistance to civil authority to maintain law and order across the country.

The Ministry continues to have close collaboration with other Security agencies in Operations CALM, LIFE, COW, LEG, Halt and many others, in a bid to maintain internal law and order.

6.0 **OUTLOOK FOR 2017**

The Ministry intends to step up its effectiveness and operational readiness for the continuous maintenance of territorial peace and security. Thus, this will ensure that the current peaceful atmosphere in the country is maintained. This it aims to achieve through proper maintenance of its assets and the general welfare of its personnel.

The Ministry of Defence in accordance with the Program-Based Budgeting intends to undertake three major (3) programs with fourteen (14) subprograms in 2017 for which a total of GH¢821,772,913 has been allocated.

Table 2: **PROGRAMMES AND SUB-PROGRAMMES**

PROG	SUB-PROGRAMMES	ORGANIZATION UNITS
Management & Administration	General Administration	Headquarters
	Finance	Office of Chief Director and Finance
	Human Resources	Human Resource Department
	Policy Planning, Monitoring and Evaluation	
	Defence Cooperation Research and Information Management	
	Veterans Affairs	
Ghana Armed Forces	General Headquarters	Armed Forces Administration
	Land Operations	Army
	Naval Operations	Navy
	Air Operations	Air Force
	Military Health Service	37 Military Hospital
	Defence Advisors	Commissions/Embassies
Armed Forces Capacity Building	Military Academy and Training Schools (MATS)	MATS
	Ghana Armed Forces Command and Staff College	GAF CSC
	Kofi Annan International Peacekeeping Training Centre	KAIPTC

5.1 PROGRAMME 1: MANAGEMENT AND ADMINISTRATION

Under this Program, 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-programs for which a total of **GH¢16,204,022** has been allotted. The five Sub- programs are:

5.1.1 Finance and Administration

This Sub-program is targeted at coordinating the activities of the Ministry and its Directorates through the Office of the Chief Director and Director of Finance and Administration. An amount of **GH¢11,896,107** has been allotted.

5.1.2 **Human Resource**

This sub-program exists to ensure the availability of human resource capacity to meet the needs of the Ministry. It involves training staff at various levels and competencies and implementing welfare programs. An amount of **GH¢409, 225** has been allotted.

5.1.3 Policy Planning, Monitoring and Evaluation

This sub-program seeks to formulate, implement, monitor and evaluate policies, programs and projects of the Ministry, including implementing workplace HIV/AIDS programs and gender mainstreaming initiatives. The amount allocated is **GH¢¢952,417**.

5.1.4 **Research and Defence Cooperation**

The Research and Defence Cooperation Sub-program seeks to establish a well-resourced statistical database to support policy formulation. It will coordinate information relating to defence and security matters including MOUs and Defence Cooperation agreements. It will undertake research into national, regional and international defence, peace and security issues. **GH¢116,478** is allocated to this sub-programme.

5.1.5 **Veterans Affairs**

This Sub-program seeks to promote the welfare of military veterans through the administration of medical, rehabilitation care and welfare schemes. An amount of **GH¢1,380,325** has been allotted.

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

With an amount of 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¢ **752,539,570**.

5.2.2 Land Operations (GHANA ARMY)

This Sub-programme with a budgetary allocation of **GH¢2,391,653** 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. An amount of **GH¢3,247,444** 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¢3,256,064** 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 per cent (70%) of GAFMS' clientele are civilians. The budget allocation is **GH¢12,923,044**.

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¢28,562,547** stands allocated.

5.3 PROGRAMME 3: ARMED FORCES CAPACITY BUILDING

This programme, with **GH¢2,648,569** 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¢579,220**.

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¢ 1,797,661** 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¢271,688** is allocated.

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 ongoing housing projects.

6.0 ESTIMATES FOR FISCAL YEAR 2017

To meet the Programmes mentioned above, the Ministry of Defence has been granted a total sum of **GH¢821,772,913** for the 2017 financial year. Out of the amount **GH¢ 812,613,620** is GoG, **GH¢9,159,293** is IGF with no Development Partner Funds.

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

Table 3 TOTAL BUDGET ALLOCATION OF FUNDS FOR THE PROGRAMMES OF THE MINISTRY OF DEFENCE

PROGRAMMES	GoG	IGF	DONORS	TOTAL
Management & Administration	16,204,022	0	0	16,204,022
Ghana Armed Forces	793,761,029	9,159,293	0	802,920,322
Armed Forces Capacity Building	2,648,569	0	0	2,648,569
Total	812,613,620	9,159,293	0	

Table.4 BUDGETARY ALLOCATION TO PROGRAMMES & SUB PROGRAMMES

PROGRAMME/SUB-PROGRAMME	GOG (GHC)	IGF (GHC)	DONORS (GHC)	TOTALS (GHC)
Management & Admin	16,204,022	0	0	
General Administration	1,449,470			1,449,470
Finance	11,896,107			
Human Resources	409, 225			359,549
PPME	952,417			952,417
Defence, Cooperation, Research & Info Management	116,478			116,478
Veterans Affairs	1,380,325			1,380,325
Ghana Armed Forces	802,920,322	9,159,293		802,920,322
General Headquarters	752,539,570			752,539,570
Land Operations	2,391,653			2,391,653
Naval Operations	3,247,444			3,247,444
Air Operations	3,256,064			3,256,064
Mil. Health Service	12,923,044			3,763,751
Defence Advisors	28,562,547			28,562,547
Armed Forces Capacity Building	2,648,569		-	2,648,569
MATS	579,220			579,220

GAF CSC	1,797,661			1,797,661
KA IPTC	271,688			271,688
TOTALS	821,772,913	9,159,293	0	821,772,913

Table.5 PROGRAMS AND SUB PROGRAMS

PROGRAMME	SUB-PROGRAMMES	ORGANIZATION UNITS
Management & Administration	General Administration	Headquarters
	Finance	Office of Chief Director and Finance
	Human Resources	Human Resource Department
	Policy Planning, Monitoring and Evaluation	
	Defence Cooperation Research & Info Management	
	Veterans Affairs	
Ghana Armed Forces	General Headquarters	Armed Forces Administration
	Land Operations	Army
	Naval Operations	Navy
	Air Operations	Air Force
	Military Health Service	37 Military Hospital
	Defence Advisors	Commissions/Embassies
Armed Forces Capacity Building	Military Academy and Training Schools (MATS)	MATS
	Ghana Armed Forces Command and Staff College	GAF CSC
	Kofi Annan International Peacekeeping Training Center	KA IPTC

Table.6 SUMMARY FOR EXPENDITURE CLASSIFICATIONS

PROGRAMME 1	GOODS AND SERVICES	ASSETS
MANAGEMENT AND ADMINISTRATION		
General Administration	1,449,470	-
Finance	3,218,110	6,000,000.00
Human Resource	409,225.00	-
PPME	952,417.00	-
Defence information Management and cooperation	116,478.00	-
Veteran administration	71,181.00	-
Sub total	6,216,881.00	6,000,000.00
PROGRAM 2		
GHANA ARMED FORCES		

General Headquarters	34,314,632	44,000,000.00
Army Headquarters	2,391,653	-
Navy Headquarters	3,247,444	-
Air Force Headquarters	3,256,064	-
Military Hospital	3,763,751	-
Defense Advisors	6,329,816	-
SUB TOTAL	53,303,360	44,000,000.00
PROGRAM 3	GOODS AND SERVICES	ASSETS
GAF Capacity Building		
MATS	579,220.25	-
AFCSC	1,797,660.75	-
KAIPTC	271,688.10	-
SUB TOTAL	2,648,569.10	-

7.0 OBSERVATIONS & RECOMMENDATIONS

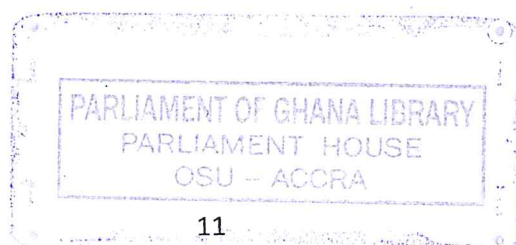
The Committee noted that the inadequacy of the 2016 allocation for goods and services made it difficult for the Ministry to undertake some of its key activities for the year. The non-release of a greater part of 2016 budget allocation to the Ministry affected the Ministry's ability to undertake capacity building workshops as well the maintenance of its fleets among others.

The Committee is requesting the Ministry of Finance to ensure that the capital expenditure of the Ministry is released to enable it undertake its SSNIT housing project, and the construction of barracks to protect the Ministry land from encroachment.

The Committee observed that the Ministry could not report on the project in Kumasi because it does not control the funding of the project. Although the project is under the Ministry, funds for the project is controlled by the Ministry of Finance. The Ministry only certifies the work undertaken by the contractor but has no knowledge of the cost and amount released for payment.

The Committee recommends that to ensure transparency and accountability, the Ministry of Finance should involve the Ministry in the expenditure towards this project.

The Committee recommends that the Ministry maintains the policy of potential recruits paying for their own medical examination fees even though they are not employees of the Ministry.



The Committee observed that the Ministry has outstanding bills totaling *Two Hundred and thirteen Million, Eight Hundred and Three Thousand, Three Hundred and seventy Three Ghana Cedis, forty pesewas (GH¢213,803,373.40), Four million, eight hundred and eight thousand, eight hundred and sixty four US dollars, sixty two cents, (\$4,808,864.62), One Million, Ninety eight thousand five hundred and eighteen euros, eighty eight cents (€1,098,518.88) and One hundred and forty five thousand, thirty eight pounds, ninety pence (£145,038.90) being debt owed to Service providers for feeding, fuel and other costs as per the table below.*

Table.8 OUTSTANDING COMMITMENTS AS AT - DECEMBER 2016

SRL	DETAILS	GH¢	\$	€	£
1	Feeding Cost	43,514,902.81			
2	Fuel	38,327,868.84			
3	Aviation fuel	14,777,892.28			
4	Aircraft Spares		1,748,603.60	743,518.88	
5	Rent Accommodation	1,667,996.40			
6	Clothing and General Stores	1,963,706.75	1,225,550.00		145,038.90
7	Movement Services	19,408.00			
8	GHQ Training	1,203,430.07	1,834,711.02		
9	GAF Medical Services	13,483,297.14			
10	DEME (Spares)	1,123,147.66			
11	Utilities - Electricity	68,447,838.75			
12	Parachute Strap			355,000.00	
13	DES Housing Projects	989,355.24			
14	SSNIT Housing Projects	23,163,868.30			
15	BES/LUTONE (Electrical Projects)	5,119,661.25			
TOTAL		213,803,373.49	4,808,864.62	1,098,518.88	145,038.90

The Committee, as a matter of urgency, urges the Ministry of Finance to provide funds for the defraying of these commitments.

8.0 CONCLUSION

The Committee, after critical examination of the Draft Budget Estimates of the Ministry of Defence for the 2017 Financial year and upon satisfying itself with explanations and clarifications from the Ministry recommends to the House to adopt its report and approve the sum of ***Eight Hundred and Twenty-One Million, Seven hundred and Seventy-Two Thousand, Nine hundred and Thirteen Ghana Cedis (GH¢821,772,913.00)*** to enable the Ministry to implement its planned programmes for the ensuing financial year, 2017.

.....
HON. MAJ DEREK ODURO (RTD).
CHAIRMAN

.....
EDITH EDILYN ADJEI
CLERK TO COMMITTEE

PARLIAMENT OF GHANA LIBRARY
PARLIAMENT HOUSE
OSU - ACCRA
