

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

REPORT OF THE FINANCE COMMITTEE

ON

**THE REQUEST FOR PARLIAMENTARY APPROVAL ON
PROPOSED EMERGENCY EXPENDITURES TO BE
CHARGED TO THE CONTINGENCY FUND.**

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JULY, 2015

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SUVA, FIJI

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**REPORT OF THE FINANCE COMMITTEE ON THE
REQUEST FOR PARLIAMENTARY APPROVAL ON
PROPOSED EMERGENCY EXPENDITURE TO BE
CHARGED TO THE CONTINGENCY FUND**

1.0 INTRODUCTION

The Hon Minister of Finance submitted a request for Parliamentary Approval on Proposed Emergency Expenditure to be charged to the Contingency Fund to Parliament for consideration and approval. The Rt. Hon. Speaker referred the request to the Finance Committee for consideration and report in accordance with Article 177 (1) of the 1992 Constitution and Order 170 (1) of the Standing Orders of the Parliament of Ghana.

The Committee met with the Minister for Finance, Mr. Emmanuel Seth Terkper, the Hon. Deputy Minister for Finance, Mr. Cassiel Ato Baah Forson and Officials from the Ministry of Finance and deliberated on the request.

The Committee is grateful to the Hon. Minister and the Deputy Minister and Officials from the Ministry of Finance for attending upon it.

2.0 REFERENCE

The Committee referred to the following additional documents during its deliberations:

- The 1992 Constitution of Ghana.
- The Standing Orders of the Parliament of Ghana.

- The Budget Statement and Economic Policy of Government for the 2015 Financial Year
 - ~~Mid-Year Review and of the Budget Statement and Economic Policy and Supplementary Estimates for the 2015 Financial Year.~~
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3.0 BACKGROUND FOR THE REQUEST

The request from the Minister of Finance is on the backdrop of the twin disaster that occurred on Wednesday, 3rd June, 2015 and the outbreak of Avian Influenza in some parts of the country. Hon Members will recall that the flood and fire disaster that effected Accra on Wednesday, 3rd June 2015 claimed over 150 lives and destroyed infrastructure worth millions of Ghana Cedis. The flooding was mainly as a result of continuous deposit of sand and plastic waste in the Odaw River and the impact of climate change. Again, Ghana reported the re-emergence of the deadly Avian Influenza disease in a farm in the Greater Accra Region on 12th May, 2015. Thereafter, there have been confirmed cases in two other regions namely Volta and Ashanti.

The rainy season is still on and the effect of global warming coupled with poor sanitation practices and inadequate sewage infrastructure could result in more floods and the outbreak of cholera and malaria if remedial actions are not taken to forestall their reoccurrence.

Also, the outbreak of the Avian Flu has already led to the destruction of over 33,143 birds resulting in loss of millions of Ghana Cedis to poultry famers. There is the need to contain and prevent the spread of the virus to other farms across the country. However due to logistical constraints, the Ministry of Agriculture could not control the spread of the virus to other farms and sustain post disease control surveillance to ensure a total eradication of the disease. There is therefore the need to provide additional resources to avert future disaster and to control the spread of the flu to other parts of the country. Based on the above it has become necessary for the government to draw on the

contingency Fund to address these emergencies for which no provisions were made in the 2015 Budget.

4.0 **REQUEST BY THE MINISTRY**

A total sum of Forty Million Ghana Cedis (GH¢40, 000,000.00) is being requested by the Ministry to be charged on the Contingent Fund to meet these emergencies. The amount is to be expended as follows:

s/n	Expenditure item	Amount (GHS)
1	Flood disaster related expenditure which includes relief items, medical treatment for victims, construction and desilting of sewage systems	5,350,000.00
2	Fire Disaster related Expenditures	3,800,000.00
3	Avian Influenza Related Expenditures	3,850,000.00
4	Waste Management Related Expenditures	27,000,000.00
	Total	40,000,000.00

5.0 **OBSERVATIONS**

5.1 ***Constitutional Requirement***

The Committee noted that the request is in line with the provisions in Article 177 (1) of the 1992 Constitution which states that “*there shall be paid into the Contingency Fund monies voted for the purpose by Parliament and advances may be made from that Fund which are authorized by the Committee responsible for financial measures in Parliament whenever that Committee is satisfied that there has arisen an urgent or unforeseen need for expenditure for which no other provision exist to meet the need*”.

5.2 *Replenishment of the Fund*

The Committee noted though Article 177 (2) of the Constitution provides for the Contingency Fund to be as soon as possible replaced with the amount so advanced from the Fund no direct provision has been made in the 2015 Supplementary estimates to replenish the Fund.

Clarifying the situation, the Minister of Finance agreed to the importance of replenishing the Fund and to allow it to grow. The Hon. Minister explained that even though there were no direct allocations in the 2015 Supplementary Estimates aimed at replenishing of the Fund, a number of proposals were being considered to ensure the continuous payment into the Fund. He indicated that the proposed new cap on the Stabilization Fund was one of the means to ensure continues flow of resources into the contingency Fund and the purposes of Sinking Fund.

Touching on the need to allow the Fund to grow, the Minister indicated that though the Constitution does not allow the Fund to be invested, it would be in the interest of the nation for the Fund to grow. He mentioned that the Fund in real terms has devalued and to minimise this and allow the Fund to grow the Controller and Accountant-General, the Director of Budget at the Ministry and the Bank of Ghana have been tasked to come out with a workable investment proposal for the Fund.

5.3 *Recommendations by the Committee*

The Committee having regards to the importance and urgent nature of the activities for which the request was made, recommends for the sum of GH¢40,000,000.00 to be disbursed from the Contingency funds to be expended as follows:

Table 1: **Recommended Expenditure to be disbursed from the Fund**

s/n	Expenditure item	Amount (GH¢)
1	Flood disaster related expenditure which includes relief items, medical treatment	7,200,000.00

	for victims, construction and desilting of sewage systems	
2	Fire Disaster related Expenditures	3,800,000.00
3	Avian Influenza Related Expenditures	11,000,000.00
4	Waste Management Related Expenditures	18,000,000.00
	Total	40,000,000.00

The Committee further recommends that allocation for the implementation of the Avian Influenza Related Expenditures be expended as follows:

Table 2: Recommended Budget for the implementation of the Ministry of Food and Agriculture's Emergency Plan.

No	Activities	Amount Recommended by the Committee (GH¢)
1.	Enhance Rapid Outbreak Detection and Implementation of Containment Measures	3,500,000.00
2	Compensation for Farmers	3,500,000.00
3.	Logistical Requirement	2,500,000.00
4.	Active Surveillance of Domestic Poultry and Wild Bird Populations for Rapid Detection of Spill Overs, Sensitization of the Public, Laboratory Capacity Building and Diagnosis,	

	and Border Harmonisation Meetings with Neighbouring Countries	
		1,500,000.00
Total		11,000,000.00

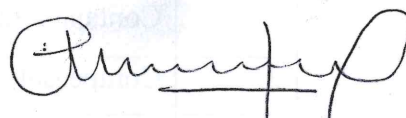
6.0 CONCLUSION

The Committee after its deliberations of the Request recommends to the House to adopt its report and approve the sum of **Forty Million Ghana Cedis (GHC40,000,000.00)** to be issued from the Contingency Fund to meet the above-mentioned emergency expenditures as proposed by the Committee in accordance with Article 177 (1) of the Constitution and Order 170 (1) of the Standing Orders of the House.

Respectfully Submitted



HON. JAMES KLUTSE AVEDZI
(CHAIRMAN, FINANCE COMMITTEE)



ROSEMARY ARTHUR SARKODIE (MRS)
(CLERK, FINANCE COMMITTEE)

July 2015