

In the Third Session of the Seventh Parliament of the
Fourth Republic of Ghana

**REPORT OF THE PARLIAMENTARY SELECT
COMMITTEE ON FOOD, AGRICULTURE AND COCOA
AFFAIRS**

ON THE

**2020 PROGRAMME BASED BUDGET ESTIMATES
OF
THE MINISTRY OF FISHERIES AND AQUACULTURE
DEVELOPMENT**

December, 2019

**REPORT OF THE COMMITTEE ON FOOD, AGRICULTURE
AND COCOA AFFAIRS ON THE 2020 ANNUAL BUDGET
ESTIMATES OF THE
MINISTRY OF FISHERIES AND AQUACULTURE
DEVELOPMENT**

1.0 INTRODUCTION

The Budget Statement and Economic Policy of the Government of Ghana for the year ending 31st December, 2020 was presented to Parliament, by the Minister for Finance, Mr. Ken Ofori-Atta on Wednesday, November, 13, 2020 in accordance with Article 179 of the 1992 Constitution of Ghana and Standing Order 138.

Pursuant to Standing Orders 140(4) and 176, Rt. Hon Speaker referred the programme based budget estimates of the Ministry of Fisheries and Aquaculture Development to the Committee on Food, Agriculture and Cocoa Affairs for consideration and report to the House.

1.1 DELIBERATIONS

The Committee met with the Minister for Fisheries and Aquaculture Development, Hon. Elizabeth Afoley Quaye and officials of the Ministry of Fisheries and Aquaculture Development and examined the 2020 Programme Based Budget Estimates of the Ministry.

The Committee is grateful to the Minister and the Officials of the Ministry of Fisheries and Aquaculture Development for their insightful inputs and clarifications.

1.2 REFERENCE MATERIALS

In considering the 2020 Programme Based Budget Estimates of the Ministry of Fisheries and Aquaculture Development, the Committee was guided by the following documents:

- I. The 1992 Constitution of Ghana;
- II. The Standing Orders of Parliament;

- III. The Budget Statement and Economic Policy of the government of Ghana for 2019 Financial Year;
- IV. The Budget Statement and Economic Policy of the government of Ghana for 2020 Financial Year;
- V. The Medium Term Expenditure Framework for 2020-2023 for the Ministry of Fisheries and Aquaculture Development; and
- VI. 2019 Budget performance report of the Ministry of Fisheries and Aquaculture Development

1.3 MISSION STATEMENT OF THE MINISTRY

The overall goal of the fisheries sector is to increase domestic fish production to offset import of fish and fish products and develop or transform the fisheries and aquaculture sector into a viable economic segment to contribute to national development.

1.4 CORE FUNCTIONS

The core functions of the Ministry of Fisheries and Aquaculture Development are as follows:

- ❖ Formulate and implement sector development policies and strategies in line with the National Development Policy Frameworks,
- ❖ Facilitate Aquaculture Development to contribute to domestic fish production and National Development,
- ❖ Enforce fisheries laws and regulations to protect fisheries resources,

- ❖ Promote sustainable management of fisheries resources for national benefits,
- ❖ Develop sector medium term development plans consistent with National development Policy Frameworks,
- ❖ Conduct periodic socio-economic studies or research on topical sector issues to inform sector policy formulation and planning,
- ❖ Co-ordinate all interventions to accelerate the development of the fisheries and aquaculture sub-sector and industry,
- ❖ Develop fishery infrastructure including landing sites, fishing harbours, laboratories, educational centres and fish processing facilities,
- ❖ Have oversight responsibility of all agencies in the sector including the Fisheries Commission.

1.5 **POLICY OBJECTIVES OF THE MINISTRY**

The policy objectives of the Ministry are as follows:

- ❖ Ensure sustainable development and management of aquatic fisheries resources,
- ❖ Ensure sustainable development and management of aquaculture,
- ❖ Conserve marine areas- Conservation of Aquaculture Ecosystems,
- ❖ Enhance the application of science, technology and Innovation in fisheries and aquaculture,
- ❖ Enhance capacity for policy formulation and co-ordination.

2.0 PERFORMANCE REVIEW FOR THE 2019 FISCAL YEAR

2.1 Financial Overview for 2019

For the 2019 fiscal year, the Ministry of Fisheries and Aquaculture Development was allocated an amount of Fifty Nine Million, Five Hundred and Ninety Two Thousand, Four Hundred and Forty Seven Ghana Cedis (**GH¢59,592,447.00**) for their earmarked activities.

TABLE 1: 2019 BUDGETARY ALLOCATION BY FUNDING SOURCES

| | GOG | DONOR | IGF | ABFA | TOTAL |
|---------------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| COMPENSATION OF EMPLOYEES | 10,099,588 | - | 880,600 | - | 10,980,188 |
| GOODS & SERVICES | 1,530,245 | - | 8,401,917 | - | 9,932,162 |
| CAPEX | - | 24,050,000 | 6,587,407 | 8,042,690 | 38,680,098 |
| TOTAL | 11,629,833 | 24,050,000 | 15,869,924 | 8,042,690 | 59,592,448 |

Source: The 2019 Budget Estimates of the Ministry of Fisheries and Aquaculture

Table 2: 2019 BUDGET ALLOCATION BY PROGRAMME & ECONOMIC CLASSIFICATIONS

| Budget Programme/ Economic Classification | Wages & Salaries | Good & Services | CAPEX | TOTAL |
|---|---------------------|--------------------|-------------------|-------------------|
| Management & Administration | 5,330,738 | 5,599,280 | 37,317,541 | 48,247,558 |
| Fisheries Resource Management | 2,938,203 | 882,374 | | 3,820,577 |
| Aquaculture Development | 2,143,909 | 1,959,268 | 1,033,506 | 5,136,683 |
| Fisheries Monitoring Control & Surveillance | 337,926 | 1,167,360 | | 1,505,286 |
| Aquatic Animal Health & Post Harvest Management | 229,412 | 323,881 | 329,051 | 882,344 |
| Total | 10,980,188 | 9,932,162 | 38,680,098 | 59,592,448 |

Source: The Budget Statement and Economic Policy of GOG for 2019 fiscal year

Table 3: BUDGET PERFORMANCE BY ECONOMIC CLASSIFICATIONS AS AT SEPTEMBER 2019

| Budget By Economic Classification | 2019 APPROVED BUDGET | BUDGET AMOUNT RELEASED | PERCENTAGE OF FUNDS RELEASED (APPROVED & RELEASE) | ACTUAL EXPENDITURE | VARIANCE |
|-----------------------------------|----------------------|------------------------|---|----------------------|----------------------|
| COMPENSATION OF EMPLOYEES | 10,980,188.00 | 5,102,718.24 | 46.47% | 5,102,718.24 | 5,877,469.76 |
| GOODS & SERVICES | 9,932,162.00 | 8,689,031.17 | 73.36% | 7,286,651.74 | 1, 243,130.83 |
| CAPEX | 38,680,098.00 | 7,303,440.73 | 30.44% | 2,222,93.62 | 31,376,657.27 |
| TOTAL | 59,592,448.00 | 21,095,190.14 | 24.52% | 14,612,343.60 | 38,497,257.86 |

Source: The Budget Statement and Economic Policy GOG for 2019 fiscal year.

3.0 PROGRAMMES EARMARKED FOR 2019, PERFORMANCE AND PROJECTIONS FOR 2019

The Ministry of Fisheries and Aquaculture Development committed its 2019 budgetary allocation to the following activities and had the following out comes:

3.1 Aquaculture Development Programme

Projection for 2019

In 2019, the Ministry projected to rehabilitate two public hatcheries at Sankana and Dormaa-Ahenkro, and construct three additional ones at Asankragua, Sefwi Wiawso and Nkawie to support aquaculture operators with fingerlings to increase fish production.

The Ministry was also expected to partner the private sector to build a National Aquaculture Centre at Shama for learning fish farming.

To support the National Agenda for Jobs, the Ministry planned roll out the “Aquaculture for Food and Jobs” (AFJ) flagship programme in 2019 to complement the ongoing “Planting for Food and Jobs” (PFJ) initiative. The AFJ Programme was to be implemented in

collaboration with “Feed Ghana” (module 3) and “Enterprise Ghana” (module 5) of the Nation Builders Corps (NaBCo).

Under the AFJ programme, 10,200 unemployed youth were to be mobilized nationwide into Aquaculture Enterprise Groups. Successful beneficiaries were to be trained in modern aquaculture production techniques and supported with inputs such as fish feed, fingerlings, tanks and cages to engage in commercial fish farming.

As a demand-driven market strategy, the AFJ was to be linked to the National School Feeding Programme to enhance the availability of fish to improve the protein intake of these schools. An estimated 7,000 additional direct and indirect jobs were to be created, and 33,628mt extra fish produced.

The Ministry estimated to continue to provide support schemes to potential but financially distressed small and medium scale fish farmers to enable them enhance their productive capacity and expand their operations. It was expected that the interventions will increase total aquaculture production from 62,718mt to 122,140mt in 2019.

Performance in 2019

In 2019, the Ministry piloted the “Aquaculture for Food and Jobs” (AFJ) flagship Initiative under which 321 youths were trained in modern methods of aquaculture production.

1,850 small and medium scale fish farmers were provided with extension services in 2019 to enhance their productive capacities in quality fingerling production, fish feed formulation, and farm management.

The total aquaculture production in 2019 declined from 76,620mt to 52,120mt due to fish disease outbreak that devastated a large number of fish farms along the Volta Lake in March 2019. To halt the spread of “fish kill” diseases and save the industry, the Ministry collaborated with key agencies and banned live fish import and movement of fingerlings within

the country, and intensified campaign on biosecurity measures at farm level.

Projection for 2020

In 2020, the Initiative on the “Aquaculture for food and jobs” will be fully rolled out in Ashanti, Bono, Bono East, Western, Volta, Oti, and Eastern Regions to create an estimated 1,200 direct jobs and 1,800 indirect jobs.

Extension services will be extended to 2,191 small, medium and large scale aquaculture establishments in 2020. Additionally, 1,522 fish farmers will be trained in modern aquaculture production techniques to expand their businesses and create additional jobs within the economy.

The interventions in the prevention of fish disease will be implemented in 2020. It is expected that the interventions will increase aquaculture production from 52,120mt to 69,620mt by December 2020.

3.2 Fisheries Resources Management Programme

Projections for 2019

The Ministry proposed to expand the two-month “Closed Season” for industrial fishing vessels to three months for all fleet in 2019.

In 2019, the Ministry also projected to facilitate regular supply of 92,259,000 litres of premix fuel, and collaborate with the private sector to facilitate the provision of 5,000 outboard motors and 55,250 bales of prescribed fishing gears to enhance the operations of marine and inland fishers.

Construction of the landing sites at Teshie, Axim, Winneba, Mumford and a fishing harbour complex at James Town as well as the Phase II of the Anomabo Fisheries College was expected to commence in 2019.

Performance in 2019

Scientific information indicates that marine fish stock levels in Ghana are declining in the Exclusive Economic Zone (EEZ),

there is the need to take drastic measures to halt this phenomenon to prevent Ghana from becoming a net importer of fish by 2025. To this end, the Ministry collaborated with industry players and implemented the “One- month Closed Season” as part of a long-term marine stock recovery strategy. To enhance and deepen marine stock recovery, Government will launch the first ever Biometric Canoe Identification Card in the sub-region in December, 2019. The exercise will enhance effective premix fuel distribution in our fishing communities.

Projections for 2020

The strategy to implement the “Closed Season” will be expanded to cover all fleet for two months simultaneously in 2020 and 2021.

The Ministry in 2020, under the Fisheries input Support Scheme, will partner the private sector to provide 5000 outboard motors and prescribed fishing nets to marine and inland fishers to enhance their business and livelihood. In addition, functional co-management structures will be established in ten fishing coastal communities in collaboration with fishers, District Assemblies and other relevant agencies by December, 2020.

3.3 Fisheries Monitoring, Control and Surveillance Programme

Projections for 2019

Electronic monitoring systems were to continue to operate on all Ghanaian and foreign flagged fishing vessels to enable effective surveillance in the Economic Exclusive Zone (EEZ) of the country.

In 2019, two marine fish stock assessment surveys were also to be conducted to enable the Ministry align fishing efforts to available marine fish stock.

The Ministry was expected to deepen collaboration with appropriate stakeholders to enhance effective fisheries law enforcement, and establish two specialized Fisheries Prosecution Courts at Tema and Cape Coast to reduce adjudication time of

fisheries infractions. In addition, over 150 fishing communities were to be sensitized on fisheries laws and regulations as well as the negative effects of illegal fishing.

These interventions were intended to reduce illegal, unregulated and unreported fishing activities by 70 percent and increase the fisheries law compliance rate by 80 percent.

Performance 2019

The Fisheries Law Enforcement Unit conducted 550 observer missions and intensified sea and land patrols which resulted in the arrest of 52 infraction cases that are currently in the courts for prosecution.

To enhance compliance with Fisheries Laws and Regulations, 80 coastal fishing communities were sensitized on good fishing practices and the negative effects of Illegal, Unreported and Unregulated (IUU) fishing activities.

Projection for 2020

In 2020 artisanal canoes involved in Illegal, Unreported and Unregulated fishing shall be surcharged and banned from receiving premix fuel. All domestic and international fleet that are involved in “Saiko” fishing (i.e. transshipment at sea) shall be banned from fishing in Ghanaian waters.

The sensitization exercises will be expanded to cover 250 inland and marine fishing communities to enhance voluntary compliance with Fisheries Laws.

The Ministry will also intensify the implementation of the Fisheries Act 2002, (Act 625) to ensure that domestic, regional and international laws that prohibit IUU fishing are strictly enforced and fishing vessels involved in any form of IUU fishing shall be surcharged and prevented from fishing in the Ghanaian Economic Exclusive Zone;

3.4 Aquatic Animal Health and Post-Harvest Management Programme

Projections for 2019

In 2019, two fish health laboratories at Akosombo and Pong-Tamale were to be rehabilitated by the Ministry to improve fish disease diagnosis and detection.

The Ministry projected to develop a National Biosecurity Guideline to assist fish disease prevention and detection in all aquaculture establishments.

Training was expected to be provided for 50 para professional officers in aquatic animal disease detection, surveillance, control and management.

An early warning fish disease detection system was also to be established to provide timely preventive measures in the event of fish disease outbreaks.

Performance in 2019

To promote the production of safe and quality fish and fishery products for domestic consumption and export, the Aquatic Animal Health Unit conducted 12 fish health monitoring and surveillance exercises and certified 35 fish hatcheries as 75 percent biosecurity compliant at farm level.

In March 2019, fish farmers along the Volta Lake suffered production decline through the outbreak of “Infectious Spleen and Kidney Virus Disease (ISKVD)” that devastated their fish farms resulting in huge financial losses. Government subsequently provided GH¢2 million to contain and prevent the disease.

As part of the Fisheries Sector Modernisation and Transformation Agenda, sod was cut for the construction of landing sites at Axim and Moree.

Projections for 2020

In 2020, 125 aquaculture establishments will be made biosecurity compliant to reduce fish mortality and protect investments. In addition, public hatcheries at Ashaiman and Kona-Odumase will be upgraded to increase quality fingerling production to meet increasing market demands.

The Ministry will in the year 2020 train small and medium scale fish farmers on biosecurity measures and fish disease detection and prevention at farm level to enhance their productive capacity.

In 2020, the Ministry will train 150 small scale fish farmers on standard aquaculture practices that will enhance their incomes. In addition, four fish health experts will be recruited to provide quality and timely fish health extension services to fish farmers.

Civil works for the construction of an ultra-modern fishing harbour complex at Jamestown will commence in March 2020. As part of Government's medium to long term National Job Creation Agenda, the Ministry will commence the construction of an ultra-modern "one-stop shop" Aquaculture Training Centre at Dawhenya in 2020 to provide skill training for the unemployed youth. At full operation, the Centre will train unemployed youth to take up aquaculture as a viable economic enterprise.

4.0 Financial Outlook for 2020

For the 2020 fiscal year, the Ministry of Fisheries and Aquaculture Development has been allocated an amount of One Hundred and twenty Eight Million, Eight Hundred and Seventy Nine Thousand, and Ninety Four Ghana Cedis (**GH¢128,879,094.00**) for their earmarked activities.

The breakdown of the allocation is as follows:

TABLE 4: 2020 BUDGETARY ALLOCATION BY FUNDING SOURCES

| | GOG | DONOR | IGF | ABFA | TOTAL |
|---------------------------|----------------------|----------------------|----------------------|----------|-----------------------|
| COMPENSATION OF EMPLOYEES | 9,664,884.00 | - | 816,203.00 | - | 10,481,087.00 |
| GOODS & SERVICES | 2,271,863.00 | - | 52,545,250.00 | - | 54,817,113.00 |
| CAPEX | - | 28,593,500.00 | 34,987,394.00 | - | 63,580,894.00 |
| TOTAL | 11,936,747.00 | 28,593,500.00 | 88,348,847.00 | - | 128,879,094.00 |

Source: The 2020 Budget Estimates of the Ministry of Fisheries and Aquaculture

Table 5: 2020 BUDGET ALLOCATION BY PROGRAMME & ECONOMIC CLASSIFICATIONS

| Budget Programme/ Economic Classification | GOG | DONOR | IGF | ABFA | TOTAL |
|---|----------------------|----------------------|----------------------|----------|-----------------------|
| Management & Administration | 4,568,960.00 | - | 24,038,424.00 | - | 28,607,384.00 |
| Marine Fisheries Resource Management | 3,208,461.00 | 28,593,500.00 | 7,390,100.00 | - | 39,192,061.00 |
| Aquaculture Development | 2,814,129.00 | | 29,122,000.00 | - | 31,936,129.00 |
| Fisheries Monitoring Control & Surveillance | 744,550.00 | | 18,372,737.00 | - | 19,117,287.00 |
| Aquatic Animal Health & Post Harvest Management | 600,647.00 | | 9,425,586.00 | - | 10,026,233.00 |
| Total | 11,936,747.00 | 28,593,500.00 | 88,348,847.00 | - | 128,879,094.00 |

Source: The Budget Statement and Economic Policy of GOG for 2020 fiscal year

5.0 OBSERVATIONS AND RECOMMENDATIONS

5.1 CAPITAL EXPENDITURE (CAPEX)

The Committee noted that out of an amount of GH¢38,680,098 allocated to the Ministry under CAPEX only GH¢7,303,440.73 was released and GH¢2,222,970 was expended. It was explained that it was due to the inability of contractors at construction site at Anomabo to raise certificates for payment of works done as well as the failure to commence the James Town Fishing Harbour project. The Committee considers the situation unacceptable since the completion of the Fisheries College at Anomabo has lingered on for so long. The Committee urges the Ministry to ensure that funds allocated for continuation of the project are expended to ensure total completion of the project.

5.2 COMPENSATION OF EMPLOYEES

The Committee realised a reduction in the expense of Compensation of Employees by 45%. Out of an allocation of GH¢10,980,188 only GH¢5,102,718 has been expended by the end of September. The Committee was informed that the allocation for the 2019 fiscal year was made towards the hiring of staff by the Ministry but financial clearance was not obtained for their employment. The Committee considers the lack of the technical staff of the Ministry very precarious and urges the Ministry of Finance to grant the Ministry financial clearance to engage the staff it needs in the 2020 fiscal year.

5.3 INTERNALLY GENERATED FUNDS

The Committee observed a drastic increase in the Internally Generated Funds (**IGF**) allocation for the year 2020. Out of a target allocation of GH¢24,045,348.48 in 2019 only an amount of GH¢22,954,630.00 was realised as at 30th September, 2019. However for the 2020 fiscal year, a target allocation of

GH¢88,348,847 has been made. The Committee was informed that the increase is informed by a proposed increase in Industrial Vessel license fees to be brought to the House for approval. The Committee urges the Ministry of Finance to ensure that the proposed fees are brought to the House for approval before the end of the year.

5.4 DECLINE IN AQUACULTURE PRODUCTION

The Committee observed that aquaculture declined from 76,620mt in 2018 to 52,120mt in 2019 due to the outbreak of the “infectious fish spleen and kidney virus disease”. The Ministry has however intensified campaign on biosecurity at the farm level and vaccination of aquatic fish along the Volta Lake has started. Out of an amount of GH¢12 million requested for the management of the disease only a paltry sum of GH¢2 million has so far been released since the outbreak of the disease in March 2019. The interventions to be carried out are expected to increase the fish stock from 52,120mt to 69,620mt. The Committee considers the sum of money released so far for the management of the disease inadequate considering the role aquaculture plays in the fisheries industry and the diet of most Ghanaians. The Committee therefore recommends that the Ministry of Finance should within the shortest possible time provide the Ministry with the needed funds to manage the disease and forestall the collapse of the aquaculture industry.

5.5 FISHERIES COLLEGE AT ANOMABO

The Committee realised that the Fisheries College that was started eight (8) years ago at Anomabo is yet to be completed. According to the Ministry, the project steering committee has been reconstituted and the project realigned to ensure early completion of the first phase of the project and commissioning by the close of year 2020. The Committee was also informed that construction of

internal roads at the college has commenced and some of the road have been diverted. The diversion of the roads has affected some farms but the owners of the farms are yet to be compensated. The Committee lauds the Ministry for the efforts being made to complete the school and urges the Ministry to consider constructing similar schools in other regions in the country as a means of creating jobs for the youth.

5.6 CLOSED SEASON

The Ministry in consultation with all fishery stakeholders observed a one month closed season in 2019 as a means to replenish the declining fishery stock in the country's Exclusive Economic Zone and to prevent Ghana from becoming a net importer of fish by the year 2020. The exercise recorded a 99% voluntary compliance and a marginal increase in fisheries stock in our marine waters was realised when the ban was lifted. However all the gains have been lost due to illegal fishing on our high seas. The low allocation of funds for surveillance on our high seas is another factor that contributes to illegal fishing like "Saiko" by foreign trawlers on seas. The Committee considers the illegal practices unacceptable due to its drastic effect on the country's fisheries stock. It recommends that the Ministry of Finance should ensure that the allocation for surveillance is increased for proper policing to forestall illegal, unreported and unregulated practices in our waters.

5.7 BIOMETRIC IDENTIFICATION CARDS

To enhance and recover Ghana's marine stocks, a biometric canoe identification registration has been launched. The registration is expected to enhance the distribution of premix fuel in the fishing communities. The programme is supported by the USAID under the Sustainable Fisheries Development Programme. The Committee lauds the Ministry for the initiative since it will provide data on the number of canoes on our seas and the amount of

premix fuel that will be needed for their operations. This will also help in tracking diversion of premix fuel. The Committee recommends that the Ministry should ensure that the registration is completed within the 2020 fiscal year.

5.8 PREMIX FUEL SECRETARIAT

The Committee noted that the Ministry continued to mount tracking devices on all premix fuel delivery tanks. As a result, there was drastic reduction in the diversion of premix fuel in the 2019 fiscal year. Increase in the use of premix was however observed. The Committee was informed that the increase was as a result of the misuse of premix fuel in power generators for light fishing and hoarding.

The Committee noted that over 100 premix outlets were closed as part of a programme initiated to manage allocated premix fuel. This resulted in the decrease in premix fuel supplied within the year and saved government about GH¢34 million.

The Committee again noted that the IGF of the Premix secretariat has been capped by 34%. The Secretariat informed the Committee that the capping of the IGF had an adverse effect on its operations in the 2019 since it relies only on the commission it generates from the sale of premix fuel.

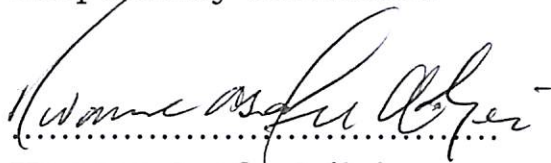
The Committee recommends that the Ministry of Finance should allow the secretariat to retain its IGF to ensure efficiency in the operations of the premix fuel secretariat.

6.0 CONCLUSION

Scientific information indicates that the marine fish stock levels in the Ghanaian waters are declining and there is the need to commit adequate funds to the protection, conservation and sustainable management of marine and inland fisheries resources of the country.

In this regard, the Committee recommends that, its report be adopted and the amount of **One Hundred and Twenty Eight Million, Eight Hundred and Seventy Nine Thousand, and Ninety Five Ghana Cedis (GH¢128,879,095.00)** be approved for the implementation of earmarked activities of the Ministry of Fisheries and Aquaculture Development for the 2020 fiscal year.

Respectfully submitted



Kwame Asafu-Adjei

Chairman



Anita Quartey-Papafio

Clerk

