

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

REPORT OF THE FINANCE COMMITTEE ON THE
APPROPRIATION BILL FOR THE FINANCIAL YEAR
ENDING 31ST DECEMBER, 2008.

1.0 INTRODUCTION

The Appropriation Bill, 2007 was laid in the House on Monday 17th December 2007 and referred to the Finance Committee for consideration and report in accordance with article 179 (2) of the Constitution and Standing Orders of the House. This followed the presentation of the Government's Budget Statement and Financial Policy for the 2008 financial year by the Minister of Finance & Economic Planning, Hon. Kwadwo Baah-Wiredu.

The Committee met with the Deputy Minister for Finance and Economic Planning, Hon. Professor George Gyau-Baffour and officials from the Ministry of Finance & Economic Planning and reports as follows:

2.0 REFERENCES

The Committee referred to the following in its consideration of the Bill:

- The 1992 Constitution of the Republic of Ghana.
- The Budget Statement and Economic Policy of the Government of Ghana for the 2008 Financial Year.
- The Reports of various Parliamentary Committees on the 2008 Annual Estimates for the Ministries, Departments and Agencies (MDAs)

3.0 BACKGROUND

Pursuant to Article 179 of the Constitution, the Minister for Finance and Economic Planning acting on the authority of His Excellency the President has requested the House to approve by Resolution, thus authorizing the withdrawal of monies from the Consolidated Fund and for the withdrawal from other funds for the running of the State during the financial year commencing on the 1st day of January 2008 and ending on 31st December 2008.

4.0 OBJECT OF THE BILL

Pursuant to article 179 (2) (a) of the Constitution, The Appropriation Bill, 2008 is seeking Parliamentary authority to enable a sum of money not exceeding Seven Billion, One Hundred and Seven Million, One Hundred and Sixty-Three Thousand, One Hundred and Thirty-Five Ghana Cedis (GH¢7,107,163,135.00) to be issued from the Consolidated Fund during the financial year commencing on the 1st day of January and ending 31st December, 2008 for the purpose of meeting government expenditure.

The specific purposes for which the sum shall be appropriated have been specified in the schedules to the Bill, that is, to efficiently carry out the services of the Government for the 2008 financial year.

The summary of expenditures covered in the Bill is captioned "*First Schedule (Section 1)*" and attached to this Report as Appendix.

5.0 OBSERVATIONS

The Committee observed that Ministries, Departments and Agencies shall be permitted to retain and use an amount of Two Hundred and Ninety-nine Million, One Hundred and Eighty-four Thousand Ghana Cedis (GH¢299,184,000) of internally Generated Funds during the 2008 Financial year.

Again, the Committee noted that the Bill includes a sum of money not exceeding One Hundred and Twenty-seven Million, Five Hundred and Fifty-one Thousand, Seven Hundred and Seventy-two Ghana Cedis (GH¢127,551,722) of HIPC financed expenditure to be undertaken during the financial year commencing 1st of January and ending 31st day of December, 2008.

Multilateral Debt Relief Initiative (MDRI) amount not exceeding Fifty-Five Million, Six Hundred and Thirty-One Thousand, Three Hundred and Eight Ghana Cedis (GH¢55,631,308) is included in the bill to be utilized during the 2008 Financial year.

Out of the total amount of GH¢7,107,163,135 projected payments in 2008, the Committee noted that GH¢1,728,925,012 would constitute statutory payments whilst discretionary payments would also amount to GH¢5,378,238,123.

The Deputy Minister for Finance and Economic Planning, Hon. Prof. George Gyan-Baffour informed the Committee that an amount of Fifteen Million, Nine Hundred and Forty Thousand Ghana Cedis (GH¢15,940,000) from HIPC funds would be granted to District Assemblies to undertake various developmental projects.

6.0 AMENDMENTS PROPOSED

The Committee proposes the following amendments to the Bill:

- i. Clause 4 - Amendment Proposed - line 4, after "shall" insert "be"
- ii. Clause 7 - Amendment Proposed - Delete "2007" and substitute "2006"

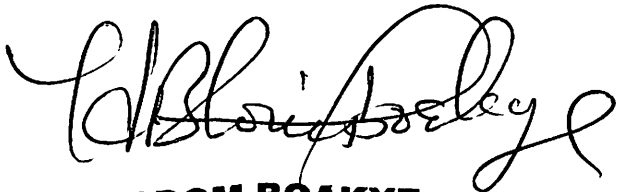
- iii. Second Schedule (Section 2) - Amendment Proposed - *Insert a head-note as follows: "Internally Generated Funds"*
- iv. Short Title - Amendment Proposed - *Delete "2008" and substitute "2007"*

7.0 CONCLUSION

The Committee recommends to the House to pass the Appropriation Bill, 2007 to approve the sum of **GH¢7,107,163,135** to be issued from the Consolidated Fund and for withdrawal from other public funds for the purposes of financing Government operations for the Financial Year commencing on 1st January 2008 and ending 31st December 2008.

Respectfully submitted.


HON. NII ADU DAKU MANTE
CHAIRMAN


LOUIS YIADOM BOAKYE
FOR CLERK, FINANCE COMMITTEE

1st DECEMBER, 2007.

APPENDIX

FIRST SCHEDULE (SECTION 1)

	2008 Budget Estimate
Total Payments	7,107,163,135
Statutory Payments	1,728,925,012
External Debt Service	293,186,311
Principal	179,019,001
Interest	114,167,310
Domestic Interest	352,294,466
District Assemblies Common Fund	234,290,700
Transfers to Households	318,036,806
Pensions	127,371,296
Gratuities	58,000,000
Social Security	132,665,510
National Health Fund (NHF)	235,429,513
Education Trust Fund	163,025,513
Road Fund	129,159,467
Petroleum-related Fund	3,502,236
Discretionary Payments	5,378,238,123
Personal Emoluments (MDAs- Item 1)	1,559,889,708
Administration (MDAs- Item 2)	385,638,300
Service (MDAs- Item 3)	120,602,500
Domestic Investment (Item 4) (Excl. Statutory Funds)	745,797,132
Net Lending	-2,000,000
New Loans	0
Loan Recoveries	-2,000,000
Foreign-financed Investment (Item 4)	1,000,165,536
Strategic Oil Stocks	0
Tax Refunds	37,000,000
Outstanding Commitments	42,714,029
Roads	22,700,000
Non-roads	20,014,029
Utility Price Subsidies	0
o/w TOR's Under-recovery	0
Other Transfers	679,209,430
Retention of Internally-generated funds (IGFs)	299,184,430
Safety net for petroleum deregulation	13,400,000
Lifeline consumers of electricity	10,000,000
Tax Expenditure (Exemptions)	356,625,000
Reserve Fund	243,684,000
HIPC-financed Expenditure	127,551,722
MDRI-financed Expenditure	55,631,308
Divestiture Liabilities	0
Repayment of Domestic Debt	382,354,458
Banking	382,354,458
Non-bank	0
o/w Reduction due to HIPC-fin'd debt buyback	31,897,930
Redemption of Deferred Interest Payments on	0
Inflation-indexed Bonds	0
Discrepancy	0

Memo Items

In 2008, other transfers include Internally Generated Fund (IGF) of GH¢299,184,430 and tax exemption of GH¢356,625,000. Total Receipts and Total Payments are now reported on gross basis and thus, adjusted by the same margins, accounting for the reclassification of Net Domestic Financing and Net Savings due to Inflation-indexed Bonds. All other classifications are under Receipt.