



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

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

**ON THE
2014 BUDGET ESTIMATES**

**OF THE
MINISTRY OF DEFENCE**

December 2013

REPORT ON THE BUDGET ESTIMATES FOR THE MINISTRY OF DEFENCE FOR THE FINANCIAL YEAR 2014

1.0 INTRODUCTION

The Budget Statement and Economic Policy of the Government of Ghana for the 2014 financial year was presented to Parliament by the Hon. Minister of Finance, Mr. Seth Emmanuel Terkper, on Tuesday 19th November, 2013, in accordance with Article 179(1) of the 1992 Constitution of Ghana.

1.1 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.

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, and the officials 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 2014 financial year.
- iv. The MTEF Programme Based Budget Estimates (2014) 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 projects within the financial year 2014.

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 2013

4.1 The Ministry was confronted with a number of challenges in implementing its programs, projects and general operations during the financial year 2013 due to budgetary constraints. By 31st July, 2013, the Ministry of Finance had released an amount of **GH¢259.792M** for Wages and Salaries, but releases for Goods and Services have not been particularly forth-coming. Up to date only the 1st and 2nd releases have been made.

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:

- Conducting aerial patrols.
- 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.
- Commissioned a French Language Centre for 6 Garrison in Tamale.
- Provided Training of 150 other ranks into the Ghana Armed Forces.
- The Armed Forces aided and collaborated with Local/ Civil Authorities in internal security operations to curb environmental degradation (illegal logging and mining) and in managing armed robbery attacks on the highways.
- Completed preparatory works for the construction of 500-bed capacity for the second Military Hospital complex in Kumasi.

5.0 OUTLOOK FOR 2014

The Ministry would not want to take the current peaceful atmosphere in the country for granted and intends to work on 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 major (3) programmes with fourteen (14) sub-programmes in 2014 for which a total of **GH¢687,256,558** 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 ¢7,553,178** has been allotted. The five Sub- programmes are:

5.1.1 Finance and Administration

This Sub-programme 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¢2,600,171** has been allotted.

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 training staff at various levels and competencies and implementing welfare programmes. An amount of **GH ¢58,050** 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¢64,882**.

5.1.4 Research and Defence Cooperation

The Research and Defence Cooperation Sub-programme 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¢23,652** is allocated to this sub-programme.

5.1.5 Veterans Administration

This Sub-programme seeks to promote the welfare of military veterans through the administration of medical, rehabilitation care and welfare schemes. An amount of **GH¢4,806,423** has been allotted, including IGF of **GH¢3,521,450**.

5.2 PROGRAMME 2: THE GHANA ARMED FORCES

With an amount of **GH¢679,359,840**, 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 coordinate, monitor and evaluate activities of various programmes under the GAF. It has a budget allocation of **GH¢544,782,913**

5.2.2 Land Operations (GHANA ARMY)

This Sub-programme with a budgetary allocation of **GH¢423,249** 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¢731,205** 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¢21,201,077**, it will also provide air transport support to the Armed Forces and civil authorities.

5.2.5 Military Health Service (37 MILITARY HOSPITAL)

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¢99,015,000**.

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¢13,206,397** has been allocated.

5.3 PROGRAMME 3: ARMED FORCES CAPACITY BUILDING

This programme, with **GH¢343,539** 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¢96,660**.

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 ¢220,313** 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¢26,566** 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 2014

To meet the Programmes mentioned above, the Ministry of Defence has been granted a total sum of **Six Hundred and Eighty Seven million, Two**

Hundred and Fifty Six Thousand, Five Hundred and Fifty Eight Ghana Cedis (GH¢687,256,558.00) for the 2014 financial year. Out of the amount **GH¢531,615,816** is GoG, **GH¢11,347,530** is IGF and **GH¢144,293,212** 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 GH¢	IGF GH¢	EXTERNAL GH¢	TOTALS GH¢
1.0	MANAGEMENT & ADMINISTRATION	4,031,728	3,521,450	0	7,553,178
1.1	Fin & Administration	2,600,171	0	0	2,600,171
1.2	Human Resource	58,050	0	0	58,050
1.3	PPME	64,882	0	0	64,882
1.4	Research & Info	23,652	0	0	23,652
1.5	Veteran Affairs	1,284,973	3,521,450	0	4,806,423
2.0	GAF	527,240,549	7,826,080	144,293,212	679,359,841
2.1	Gen Headquarters	511,043,097	0	33,739,816	544,782,913
2.2	Army	423,249	0	0	423,249
2.3	Navy	731,205	0	0	731,205
2.4	Air Force	781,101	0	20,419,976	21,201,077
2.5	Health Service	1,055,500	7,826,080	90,133,420	99,015,000
2.6	Defence Advisors	13,206,397	0	0	13,206,397
3.0	ARMED FORCES CAPACITY BUILDING	343,539	0	0	343,539
3.1	MATS	96,660	0	0	96,660
3.2	GAFSCE	220,313	0	0	220,313
3.3	KAIPTC	26,566	0	0	26,566
	TOTALS	531,615,816	11,347,530	144,293,212	687,256,558

6.2 An amount of **GH¢11,347,530** and **GH¢144,293,212** which represents the IGF and Development Partner components is given to service Capital Expenditure, Goods and Services. The allocation of funds is further illustrated in Table 6.2.1 below:

6.2.1 2014 ALLOCATION OF FUNDS TO THE MINISTRY OF DEFENCE:

ITEM	GOG	IGF	EXTERNAL	TOTALS GH¢
WAGES & SALARIES	512,823,581	0	0	512,823,581
GOODS & SERVICES	16,156,810	10,564,922	28,858,643	55,580,375
CAPEX	2,635,425	782,608	115,434,569	118,852,602
TOTALS	531,615,816	11,347,530	144,293,212	687,256,558

7.0 OBSERVATIONS & RECOMMENDATIONS

The Committee observed that the Ministry will be confronted with serious challenges in implementing its planned programs and projects for 2014, due to the low level of budgetary allocation. This will adversely affect operations and have negative long-term effects on its capacity and readiness to effectively respond in crisis situations. Soldiers are expected to be in training so far as they are not at war and this cannot be done in the absence of training gear, ammunition and equipment. The current level of budgetary allocation will not permit the Ministry to buy enough ammunition, food and other logistics for training to take place regularly.

7.1 The Committee also noted that aside low budgetary allocations, monies are not released on time for implementation of programs and for payment of

food, fuel, goods and services taken on credit, thus causing embarrassment to the MOD.

7.2 Furthermore, the Committee observed that the non-release of funds for Goods and Services and Non- Financial Asset votes adversely affected the upgrading of facilities, routine maintenance and running of existing equipment.

7.3 Limited release of funds has also prevented the completion of on-going housing projects, leaving the housing and accommodation of personnel in dilapidated bungalows. Very few personnel were sponsored for both local and foreign courses due to budgetary constraints.

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 Naval Command and the 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 outstanding liabilities, made up of:

Gratuities	-	GH¢16,848,828.31
Food Bills	-	GH¢10,248,000.00
Clothing	-	GH¢2,400,000.00
Fuel	-	GH¢23,604,943.73
Grand Total	-	GH¢53,101,772.04

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

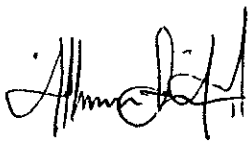
8.0 CONCLUSION

The Committee, after careful scrutiny of the draft estimates, is of the view that the level of budgetary allocation for the Ministry of Defence falls far below its minimum requirements and will thus leave them in an indebted position.

It is therefore imperative that the Ministry of Finance finds extra budgetary allocation to support the programmes of MOD to ensure the effectiveness and operational readiness of the Ghana Armed Forces for provision of security.

This notwithstanding, the Committee recommends to the House for approval, the total budgetary allocation of **Six Hundred and Eighty Seven million, Two Hundred and Fifty Six Thousand, Five Hundred and Fifty Eight Ghana Cedis (GH¢687,256,558.00)** made to the Ministry of Defence for the financial year ending 31st December 2014.

Respectfully submitted,



GEORGE KOFI ARTHUR (HON)
CHAIRMAN, COMMITTEE ON
DEFENCE & INTERIOR



GLORIA SARKU
CLERK, COMMITTEE ON
DEFENCE & INTERIOR

DECEMBER 2013