



**IN THE SECOND SESSION OF THE FOURTH
PARLIAMENT OF THE FOURTH REPUBLIC OF
GHANA**

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**REPORT OF THE PARLIAMENTARY SELECT
COMMITTEE ON**

FOOD, AGRICULTURE AND COCOA AFFAIRS

ON THE DRAFT ANNUAL ESTIMATES

OF



THE MINISTRY OF FISHERIES

11TH DECEMBER, 2006

REPORT OF THE COMMITTEE ON FOOD, AGRICULTURE AND
COCOA AFFAIRS ON THE YEAR 2007 DRAFT ANNUAL BUDGET
OF THE MINISTRY OF FISHERIES

1.0 INTRODUCTION

The Minister of Finance and Economic Planning, Mr. Kwadwo Baah-Wiredu, on Thursday 16th November, 2006 presented to Parliament, the Budget Statement and Economic Policy of the Government of Ghana for the 2007 financial year in accordance with Article 129 of the 1992 Constitution.

Pursuant to Standing Order 140 (4) and 176, Mr. Speaker, referred the draft Estimates of the Ministry of Fisheries to the Committee for consideration and report to the House.

2.0 DELIBERATION

The Committee met with the following to deliberate on the Draft Annual Estimates.

1. The Deputy Minister for Fisheries, Mr. Daniel Christian Dugan
2. The Chief Director of the Ministry of Fisheries, Mr. Emmanuel M. Quaye
3. Officials of the Ministry of Fisheries

The Committee is grateful to all who attended upon it for their support and co-operation.

3.0 REFERENCE MATERIALS

1. The 1992 Constitution of Ghana
2. The Standing Orders of Parliament
3. The 2006 Draft Annual Budget of the Ministry of Fisheries
4. The Budget Statement and Economic Policy of the Government for the 2006 Fiscal year.
5. The Budget Statement and Economic Policy of the Government for the 2007 Fiscal year
6. The 2007 Draft Annual Budget of the Ministry of Fisheries

4.0 MISSION STATEMENT

The Ministry of Fisheries exists to promote sustainable and thriving fisheries enterprises through research, technology development, extension and other support services to fishers, processors and traders and to fulfill its crucial roles as an instrument of poverty reduction.

5.0 OBJECTIVES OF THE MINISTRY

For the 2007 Fiscal year, the Ministry will pursue the following objectives.

1. Prepare and keep under continual review plans for the management and development of fisheries in waters under the jurisdiction of Ghana.
2. Ensure availability and adequate supply of fish from capture and culture fisheries for the local and export market.
3. Provide technical support and facilitate assistance to fishers, fish farmers, fish processors and markets.
4. Co-operate and collaborate with other MDA's for the enforcement of fisheries laws, regulations and by-laws.

5. Promote local, sub-regional and international co-operation in fisheries management and development.
6. Ensure that plans are formulated for the building of the human resource capacity of the Ministry to improve service delivery.
7. Ensure availability of timely, reliable data and information on the fisheries sector.
8. Co-ordinate and collaborate with MDAs and NGOs for poverty reduction, production and value chain in the fishing industry.

6.0 BUDGETARY PERFORMANCE IN 2006

- ❖ In the 2006 fiscal year, the Ministry of Fisheries was allocated an amount of ₦41,840 million comprising ₦15,840 million GoG, IGF of ₦14,000 million and ₦ 12,000 million donor funding.

The breakdown is as follows:

GOG

DEPT/DIR	P.E	ADMIN	SERVICE	INVESTMENT	TOTAL
GEN. ADMIN	683,000,000	864,000,000	744,000,000	4,010,000,000	6,301,000,000
FISHERIES RESEARCH	927,000,000	442,000,000	465,000,000	280,000,000	2,114,000,000
FISHERIES COMMISSION	99,000,000	96,000,000	140,000,000	239,000,000	574,000,000
DIRECTORATE OF FISHERIES	3,522,000,000	998,000,000	1,538,000,000	793,000,000	6,851,000,000
TOTAL	5,231,000,000	2,400,000,000	2,887,000,000	5,322,000,000	15,840,000,000

INTERNALLY GENERATED FUNDS

DEPT/DIR	P.E	ADMIN	SERVICE	INVESTMENT	TOTAL
GEN. ADMIN	-	700,000,000	2,224,000,000	1,000,000,000	6,301,000,000
FISHERIES RESEARCH	-	-	-	-	-
FISHERIES COMMISSION	-	-	-	-	-
DIRECTORATE OF FISHERIES	-	-	-	10,060,000,000	10,060,000,000
TOTAL	-	700,000,000	2,224,000,000	11,060,000,000	14,000,000,000

The Ministry could not generate the IGF of $\phi 14,000,000,000$ for the 2006 fiscal year because it put in place mechanisms that curtailed infractions in the industry. Only an amount of $\phi 11,462,312,076$ made up of Fishing License charges of $\phi 7,524,866,708$, Import Levy charges of $\phi 3,506,350,400$ and Export levy of $\phi 431,094,968$. was realised.

DONOR

DEPT/DIR	P.E	ADMIN	SERVICE	INVESTMENT	TOTAL
GEN. ADMIN	-	-	1,000,000,000	3,000,000,000	4,000,000,000
FISHERIES RESEARCH	-	-	3,000,000,000	3,000,000,000	6,000,000,000
FISHERIES COMMISSION	-	-	1,000,000,000	1,000,000,000	2,000,000,000
DIRECTORATE OF FISHERIES	-	-	-	-	-
TOTAL	-	-	5,000,000,000	7,000,000,000	12,000,000,000

ACTUAL EXPENDITURE AND VARIANCE

The table below represents the actual releases and expenditure made by the Ministry from January to September

	APPROVED BUDGET FOR 2006	RELEASES TO SEPTEMBER	ACTUAL EXPENDITURE	VARIANCE A	VARIANCE B
	A	B	C	D=(A-B)	E=(B-C)
P.E	5,231,000,000	4,712,844,100	4,712,844,100	518,155,900	-
ADMIN	2,400,000,000	1,792,000,000	1,467,807,101	608,000,000	324,192,899
SERVICE	2,887,000,000	1,388,711,100	1,094,040,140	1,498,288,900	294,670,960
INVESTMENT	5,322,000,000	181,866,750	181,866,750	5,140,133,250	-
TOTAL	15,840,000,000	8,075,421,950	7,764,578,050	7,764,578,050	618,863,859

VARIANCE ANALYSIS 2006

PERSONNEL EMOLUMENTS 2006

The approved budget for 2006 financial year was ₦5,231,000,000 out of which ₦4,713,844,000 was released and same spent as at September.

Out of an approved budget of ₦683,000,000 only ₦294,950,083 was spent on General Administration as at September leaving ₦388,049,917. The reason for this situation was the inability to employ new staff as planned due to the lack of office accommodation.

Fisheries Directorate exceeded its budget allocation of ₦3,522,000,000 by ₦190,928,625 for the year because of the increase in salaries during the year and the employment of 10 new Fisheries Officer. The new officers were part of the 300 officers recruited and budgeted for by the Human Resources

Development Directorate (HRDD) of Ministry of Food and Agriculture. After decoupling MOFI took responsibility and catered for their Personnel Emoluments. It is estimated that Personnel Emolument for the whole of 2006 financial year will be ₦6,352,847,945.

ADMINISTRATION 2006

The total amount released as at September 2006 was ₦1,792,000,000 out of which ₦1,467,807,101 was spent leaving ₦324,192,899 which has been committed to the procurement of stationery, fuel and lubricants, repair and maintenance of vehicles.

SERVICE 2006

The Approved Budget for Service for 2006 was ₦2,887,000,000 out of which ₦1,388,711,100 was released. Actual expenditure was ₦1,094,040,140 leaving ₦294,670,960 unspent. The variance is due to the late receipt of the Expenditure Authorisation (E/A). The Ministry will continue to provide technical support to fishers, fish farmers, processors and marketers and also collect data for fisheries planning purposes.

An amount of ₦1,498,288,900 is yet to be released because all 3rd quarter applications were reduced by 50% by the Ministry of Finance and the 4th quarter releases are yet to be received.

INVESTMENT 2006

An amount of ₦5,322,000,000 was approved for investment in the 2006 budget. The amount released as at September was ₦181,866,750.

General Administration budgeted for a new building and the procurement process is still on-going. There has been a release of ₦159,625,750. This amount has been committed to consultancy fees including the design and preparation of tender documents for the re-modeling of the head office building.

The Fisheries Directorate is in the process of acquiring some computers, air conditioners for offices and boats for the Volta Lake. Contract for the consultancy for completion of the hatcheries at Dormaa Ahenkro has been awarded (for completion).

Department of Fisheries Research is also in the process of acquiring some of their investment items.

7.0 ACTIVITIES PERFORMED BY THE MINISTRY WITHIN THE 2006 FISCAL YEAR

Within the constraints of funds provided in the 2006 fiscal year, the following activities were performed:

The Ministry developed a comprehensive fisheries development policy aimed at a more sustainable use of the fisheries resources in 2006 and to ensure that the country's fisheries resources were properly managed.

The breakdown is as follows:

1. The Ministry selected a consultant and inaugurated a Committee to review the Fisheries Policy to serve as basis for the development of the Fisheries Sector. The Draft Fisheries Regulations is to be placed

before Parliament by December 2006. The Regulations are intended to give effect to the Fisheries Act, Act 625 of 2002 to streamline activities and bring about uniformity in the fishing industry.

2. Three Community Based Fisheries Management Committee (CBFMC) bye Laws were gazetted while 5 draft Bye Laws from coastal districts were submitted to the Attorney General's Department for vetting and approval. 131 committees and 27 Zonal Lake Management Committees were formed in the fishing communities along the shoreline of the Volta Lake in the Asuogyaman, Jasikan and Kpando Districts. The committees were trained in Alternative Livelihood Strategies in piggery, production of small ruminants, bee-keeping and other vocations.
3. Nine observer missions to monitor operations of industrial vessels were conducted while 16 vessels were installed with transponders and 50 activated to monitor operations of Ghanaian registered vessels at sea.
4. A total of 338 outboard motors costing ₵7.842 billion were distributed to fishermen under a special credit scheme - work and pay tools - to enhance fishing in the country. The Ministry through the Rural Banks also advanced a ₵4.0 billion Micro-credit support to 3,000 fish processors, to enhance the processing, distribution and marketing of fish.
5. A series of training courses were organised in fish farming for 280 people selected from all regions in the country. Participants will be

supported to organize workshops in their localities to train more fish farmers in the country to increase farmed fish production, create employment and reduce poverty in the country.

6. Inaugurated a committee to undertake feasibility studies on diminishing fish stocks of the Volta Lake, other reservoirs and water impoundments. The committee is expected to submit its report by the end of the year.
7. A Spanish grant was obtained for the establishment of cold storage and fish processing facilities at James Town, Mumford, New Takoradi, Moree, Shama, Winneba, Senya Bereku, Nyanyano and Teshie, in collaboration with the private sector.
8. A diagnostic study on premix fuel allocation, distribution and sale to fishing communities was carried out. Based on the findings, an appropriate policy is being formulated to minimize incidence of irregularities associated with this process.

PROJECTIONS FOR 2007

The Ministry of Fisheries has been provided with an amount of ₵42,670 million to carry out its activities in 2007. Out of this GoG is ₵15,969 million, IGF is ₵16,000 million, donor ₵10,700 million.

With the funds allocated, the following activities would be performed within the 2007 fiscal year:

1. In 2007, the policy thrust will be to develop fisheries infrastructure namely fish landing sites, cold stores and fish hatcheries and also improve fisheries services to enhance growth of the sector of the economy. This will boost fisheries contribution to GDP and bring about a multiplier effect for other enterprises within the sector resulting in employment generation, livelihood improvement and poverty reduction in fishing communities. The following activities will be undertaken:
2. The Fisheries Policy and Management Plans will be finalized, gazetted and implemented in collaboration with District Assemblies and other stakeholders for sustainable increases in fish production.
3. In collaboration with security agencies, the Monitoring, Control and Surveillance (MCS) activities of the Ministry will be intensified to ensure responsible and legal fishing within the marine and inland waters of the country. In this regard, 50 transponders were procured for installation on marine fishing vessels in 2007. Also, Community Based Fisheries Management Committees (CBFMCs) will be strengthened and their by-laws gazetted to empower fishing communities to co-manage their fishery resources to ensure responsible and sustainable fishing.
4. The restocking of the Volta Lake, other reservoirs and water impoundments with fingerlings will be undertaken to enhance inland fish production. Fish farming (aquaculture) will be intensified to meet shortfall in fish production. In this regard,

credit will be extended to about 300 trained fish farmers, to undertake fish farming and train others to obtain the necessary skills.

5. Will source for funds to commence construction of 4 modern fish landing sites at Axim, Mumford, Dzemeni and Tapa Abotoase, and 2 modern harbours at Elmina and James Town.
6. Other micro credit facilities will be extended to 5,000 fishers and fish processors to increase fish processing and improve incomes. About 10 fishing communities will be assisted to construct 10 modern Chorkor Fish Smokers. Credit for outboard motors and other inputs will be provided under the Work and Pay Scheme.
7. Rehabilitate existing hatcheries at Ashaiman and Kona Odumase. Work on the construction of two other hatcheries at Dormaa Ahenkro and Sefwi Wiawso will be completed to ensure ready supply of quality fingerlings to fish farmers. In addition, a Fish Health Unit will be established to promote Fish Health Management and improve Fish Husbandry practices.
8. A unit for the gathering of adequate scientific information will be established for the building of data bank for fisheries management purposes.

8.0 OBSERVATION AND RECOMMENDATIONS

8.1 PERSONNEL EMOLUMENTS

The Committee observed that the Ministry of Fisheries has been allocated an amount of ₦373,000,000 as Personnel Emolument although the required amount is ₦6,352,847,945. The amount provided covers only emoluments for General Administration staff. Emoluments for staff of the Directorate of Fisheries, Marine Fisheries Research Division and the regions are yet to be decoupled from the Personnel Emoluments of the Ministry of Food and Agriculture.

Out of the approved Personnel Emolument of ₦683,000,000, General Administration spent only ₦294,950,083 because of the Ministry's inability to recruit the projected number of personnel due to the lack of office accommodation.

The Committee recommends that the Ministry should expedite work on its office complex to enable it recruit the needed personnel to ensure effective performance in the ensuing year. The Ministry should also as a matter of urgency ensure that the Personnel Emolument of its staff are decoupled from that of the Ministry of Food and Agriculture by presenting to the Controller and Accountant General the list of its personnel whose emoluments are on the pay roll of the Ministry of Food and Agriculture. The Ministry should perform this activity in consultation with the Ministry of Finance and economic Planning.

8.2 INVESTMENT

Just like the previous year, the Ministry was not able to expend its allocation for investment because it was not able to expedite action on the award of contract for the building of its office complex. Out of an allocation of ₦5,322,000,000 provided the Ministry for its investment activities, only ₦181,866,750 was expended. Out of the amount expended ₦159,625,750 was released as fees for consultancy, preparation of designs and preparation of tender documents for the re-modeling of the new office complex. The rest of the amount was committed to the purchase of computers, air conditioners and boats for the Volta Lake.

The Committee recommends that the Ministry should expedite action on the award of contracts for works on the office complex before the close of next year.

8.3 INTERNALLY GENERATED FUNDS

The Ministry could not generate the IGF of ₦14,000,000,000 for the 2006 fiscal year because it put in place mechanisms that curtailed infractions in the industry. Only an amount of ₦11,462,312,076 made up of Fishing License charges of ₦7,524,866,708, Import Levy charges of ₦3,506,350,400 and Export levy of ₦431,094,968. was realised. The Ministry again licensed very few vessels as an effort at reducing fishing capacity.

Although the Ministry could not realise its IGF projection of ₦14,000m for the 2006 fiscal year, the IGF for 2007 has been increased to ₦16,000m

The Committee is of the opinion that the IGF projection may not be realised due to the reasons adduced for the shortfall in 2006. It therefore urges the Ministry of Finance and Economic Planning to increase and release the counter part funds allocation for the year to make up for the short fall and ensure the release of donor funds.



8.4 LANDING SITES

The Committee observed that although there are about three hundred (300) landing sites along the coast of Ghana, only four (4)- Axim, Mumford, Elmina and James Town - have been selected for development within the coming year. The criteria used for the selection of these landing sites were the importance of the landing sites and the volumes of fish landed.

It was further noted that all the sites selected are situated in the western coast of the country leaving out sites in the eastern coast.

The Committee therefore recommends that the Ministry should in future consider landing sites in the Volta Region and Ada in order to improve economic activities there.

8.6 ALTERNATIVE LIVELIHOOD SCHEME

The Ministry within the year under review continued training in the Alternative Livelihood Scheme in fishing Communities in the Volta Region. Fishers were trained in kente weaving, grasscutter rearing and tie and dye. They were also provided with credit to assist them in their new vocations.

The Committee commends the Ministry and urges it to intensify the scheme to provide extra income to the fishers and ensure a reduction in poverty.

8.7 FISHERIES COMMISSION

The Committee further noted that the composition of the Fisheries Commission is still in limbo. Some of the funds allocated in the year to support its activities were not therefore utilized. Only ₦9,715,392 out of the ₦99,000,000 of the Personnel Emoluments allocated to the Commission was spent. The funds were committed to the salaries of two permanent and three seconded staff of the Commission. The rest of the allocation was not released by the Controller and Accountant General.

The Committee is not pleased with this development and therefore urges the Ministry to expedite action on the composition of the Commission to ensure that malpractices in the fisheries industry are curtailed.

8.8 PRE-MIX FUEL

Currently, the Ministry has no policy on the distribution of pre-mixed fuel because in the past the distribution was done by the Ministry of Food and Agriculture in collaboration with the Ministry of Mines and Energy. The distribution has now fallen on the Oil Marketing Companies.

The Committee took a serious view to the adulteration and diversion of the pre-mix fuel but was assured by the Ministry that a committee has been set up to ensure sanity in the distribution chain. The Committee was informed that specific distributors would be identified in the districts to distribute the pre-mix fuel to prevent adulteration and diversion. The Ministry has further proposed that the colour of pre-mix fuel should be changed to prevent diversion.

The Committee commends the Ministry for the effort at ensuring sanity in the distribution of the pre-mix fuel and urges it to speed up the implementation of the results of the diagnostic study on pre-mix fuel.

8.9 MICRO-CREDIT FINANCING

It was finally noted that rural banks have been given the mandate to disburse loans to fishers on behalf of the Ministry to ensure full recovery of loans. The selection of beneficiaries is done by the Ministry in consultation with Chief Fishermen. Recommendations are made to the banks for the allocation of funds after selections have been made. The mode of repayment of the loans is developed by the Ministry in consultation with the banks. With the advice of the Ministry the fishers approach the bank for the release of funds. Some of the banks delay in the allocation of these funds due to further background checks and this sometimes discourages the fishers.


The banks do not take full responsibility for the default in loans because they are not involved in the selection of beneficiaries.

The Committee recommends that the Ministry should repackage the micro-credit scheme by engaging consultants and other experts in the field of micro-financing to ensure sanity in the management of the scheme.

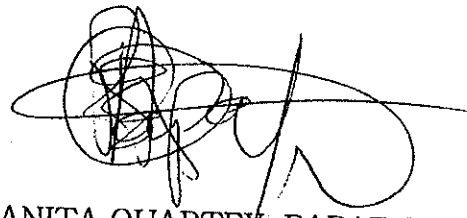
9.0 CONCLUSION

If the nation will experience growth in the fisheries industry then there is the need for adequate management and funding of the sector. The Committee therefore urges the House to approve an amount of ₵42,670 million to cover the activities of the Ministry of Fisheries for the 2007 fiscal year.

Respectfully submitted,



HON. DR. MATTHEW K. ANTWI
CHAIRMAN
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