

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

REPORT OF THE

FINANCE COMMITTEE

ON THE

**2018 PROGRAMME BASED BUDGET ESTIMATES FOR
THE MINISTRY OF BUSINESS DEVELOPMENT**

14TH DECEMBER, 2018

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1.0 INTRODUCTION

Following the presentation of the Budget Statement and Economic Policy of the Government for the year ending 31st December, 2018 by the Minister for Finance, Hon. Ken Ofori-Atta on 15th November, 2017, the 2018 Programme based Budget Estimates for the Ministry of Business Development were referred to the Finance Committee for consideration and report in accordance with article 179 of the 1992 Constitution and Order 140 (4) of the Standing Orders of Parliament.

The Committee met with the Hon. Minister for Business Development, Hon Alhaji Ibrahim Mohammed Awal, the Acting Chief Director for the Ministry for Business Development, Joseph Tackie and the technical team from the Ministries of Finance and Business Development.

2.0 BACKGROUND

As part of the Government agenda to drive development through production and job creation, the Ministry for Business Development was established to help create a sustainable and most business friendly entrepreneurial, innovative and business enabling environment that would help foster private sector-led investment for job creation.

The Core functions of the Ministry are to, among others:

- Promote the development of an entrepreneurial culture in the country;
- Facilitate the improvement in the ease of doing business;
- Promote the development of MSME sector for job creation;

- Increase the entrepreneurial capacity of the youth;
- Nurture and promote the growth of medium to large size indigenous Ghanaian business giants; and
- Enhance the image of Ghana as the most business friendly country in Africa.

3.0 PERFORMANCE FOR 2017

For 2017, the Ministry developed the National Entrepreneurship and Innovative Plan (NEIP). The plan was launched by H. E. the President in July 2017. The Ministry was also able to select a Private Sector Implementation Partner to assist in implementing the Plan.

The Ministry further launched a National Business Support and National Business Plan Competition. This is geared towards the creation of jobs. The first High-tech Incubation Hub under the NEIP was established at CEIB campus in Accra. The Ministry intends to construct ten more High-tech Hubs for each region.

The Ministry is currently constructing the biggest Green House Estate project in West Africa at Dawenya Irrigation Site in the Greater Accra Region with 75 domes established as at October, 2017. It is expected that 1000 units of Green Houses will be established in all ten regions by the end of 2021.

3.1 Summary of Budget Allocation and performance for 2017

The Minister informed the Committee that for 2017, the Ministry was under the Office of Government Machinery (OGM) and as part of the OGM's Budget, it was allocated an amount of One Hundred and Fifty Four Million, Two Hundred and One Thousand, Five Hundred and Ninety-Three Ghana Cedis (¢154,201,593). Table 1 below is the Expenditure Returns for the period ended November, 2017:

Table 1 – Expenditure returns for 2017

	Approved Budget	Amount Received	Variance
Compensation	-	-	-
Goods and Services	50,415,080	5,831,201	43,583,879
CAPEX	104,786,513	-	104,786,513
Total	154,201,593	5,831,201	148,370,392

4.0 OUTLOOK FOR 2018

In line with the National Medium Term Development Policy Framework and the President's Coordinated Programme of Economic and Social Development Policies, the Ministry would pursue the following:

- Promote the development of the MSME Sector for job creation;
- Create an overall entrepreneurial culture especially young businesses and start-ups;
- Increase the entrepreneurial capacity of the youth;

- Facilitate the improvement in the ease of doing business in the country; and
- Support the development of entrepreneurship training infrastructure across the country.

4.1 2018 Budget Allocation

For the implementation of the above programmes, a total amount of Fifty Two Million, Two Hundred and Sixty Thousand Ghana Cedis (GH¢52, 260,000) has been allocated from GoG to the Ministry. The summary of the allocation for 2018 is shown in Table 1 as follows:

Table 1 – Allocation for 2018

Item	Budget Allocation
Compensation of Employees	350,000
Goods and Services	51,410,000
CAPEX	500,000
Total	52,260,000

5.0 OBSERVATIONS

5.1 GH¢51m allocation to the National Entrepreneurial and Innovation Programme (NEIP)

The Chief Director informed the Committee that although GH¢51million (US\$10 million equivalent) was allocated for the NEIP, this amount was not released. The

Ministry of Finance has included the amount in the Goods and Services budget for 2018 for utilization.

5.2 Implementation of the National Entrepreneurial and Innovation Programme (NEIP)

The Chief Director informed the Committee that the NEIP would be implemented over a four year span. However in 2018, the GH¢51 million would be used as leverage to raise private capital and multilateral funding of US\$100 million to fund the NEIP

The Modules to be implemented under the NEIP are:

- National Early Stage Business Competition;
- Incubation programmes;
- Subsidized workspace for young entrepreneurs;
- NEIP Industrialization Plan; and
- Youth Enterprise fund.

The Minister informed the Committee that the focus of these modules is to create at least 145,000 jobs annually.

5.3 Greening Business Management

The Minister informed the Committee that another programme to be implemented is the Greening Business Management programme. This programme aims at training and equipping the youth with skills and resources to transform vegetable production in Ghana while at the same time setting them up after the training to be entrepreneurs on their own.

The Chief Director stated that under the programme, about 1000 green houses would be constructed across the country. Currently 75 domes have been established at Dawenya as at the end of October, 2017.

6.0 RECOMMENDATIONS

6.1 Staff Requirement

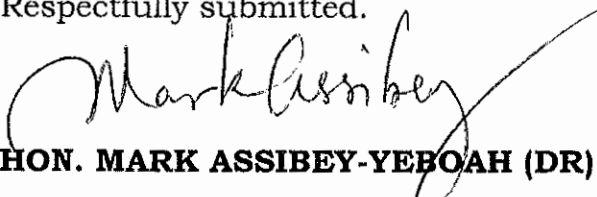
The Committee observed that the Ministry was a new one and did not have the full complement of staff.

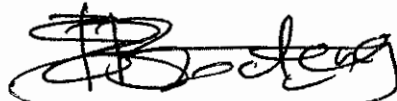
The Committee recommends to the Ministry to liaise with the Head of Civil Service to ensure that the Ministry gets the required staff complement.

7.0 CONCLUSION

After a careful examination of the 2018 Programmed Based Budget Estimates for the Ministry of Business Development and having regard to the important role of the Ministry, the Committee recommends to the House to approve the sum of **Fifty Two Million, Two Hundred and Sixty Thousand Ghana Cedis (GH¢52,260,000)** to enable the Ministry implement its programme of activities for the 2018 financial year.

Respectfully submitted.


HON. MARK ASSIBEY-YEBOAH (DR)
CHAIRMAN, FINANCE COMMITTEE


EVELYN BREFO-BOATENG
CLERK TO THE COMMITTEE

14th December, 2017