

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

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

ON THE

**2022 ANNUAL BUDGET ESTIMATES OF
THE MINISTRY OF DEFENCE**

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REPORT OF THE COMMITTEE ON DEFENCE AND INTERIOR ON THE 2022 ANNUAL ESTIMATES OF THE MINISTRY OF DEFENCE

1.0 INTRODUCTION

In fulfilment of article 179 of the 1992 Constitution of the Republic of Ghana and Order 138 of the Standing Orders of Parliament, the Hon Minister for Finance, Mr. Ken Ofori-Atta, presented the Budget Statement and Economic Policy of the Government for the 2022 financial year to Parliament, on Wednesday, 17th November 2021.

Pursuant to Orders 140(4) and 158 of the Standing Orders of the House, the Rt. Hon Speaker, referred the 2022 Annual Budget Estimates of the Ministry of Defence to the Committee on Defence and Interior for consideration and report.

1.1 DELIBRATION

The Committee met on Tuesday, 14th December 2021 and considered the referral. The Hon. Minister for Defence, Mr Dominic Nitiwul, the Hon. Deputy Minister, Mr. Amankwa Manu, the Chief Director, Mr Evans Dzikum, Officers of the Military High Command, as well as Officials of the Ministry of Defence attended upon the Committee. Officials from the Ministry of Finance were also present to offer clarifications on issues raised.

The Committee is grateful to them for their co-operation.

2.0 REFERENCE DOCUMENTS

The Committee in considering the estimates made reference to the following documents;

- i. The 1992 Constitution of the Republic of Ghana,
- ii. The Standing Orders of Parliament of Ghana
- iii. The Public Financial Management Act, 2016 (Act 926)
- iv. The Budget Statement and Economic Policy of Government for the year 2021,

- v. The Budget Statement and Economic Policy of Government for the year 2022,
- vi. The Medium Term Expenditure Framework for 2022-2025 of the
- vii. The Report of the Committee on 2021 Annual Budget Estimates of the Ministry of Defence, and
- viii. The Ministry's oral and written presentations to the Committee.

3.0 MISSION AND GOAL

The Ministry of Defence (MOD) exists to formulate and implement national defence policies relating to peacekeeping, internal and external security and the total defence of the nation including, defending the territorial integrity of Ghana by land, sea and air.

The goal of the Ministry is to ensure security and adequate protection of life, property and rights of all nationals, especially the vulnerable and excluded within a democratic environment.

3.1 IMPLEMENTING AGENCIES

The activities of the Ministry of Defence are undertaken by the following agencies and institutions:

- a. Ministry of Defence Headquarters (MD HQ)
- b. General Headquarters (GHQ)
- c. Army
- d. Navy
- e. Air Force
- f. Ghana Armed Forces Command and Staff College (GAFSCS)
- g. Military Academy and Training School (MATS)
- h. Kofi Annan International Peacekeeping Training Center (KAIPTC)
- i. Veterans Administration
- j. 37 Military Hospital and,
- k. Defence Advisors

4.0 PERFORMANCE OF THE MINISTRY FOR YEAR 2021

The Ministry undertook a number of programmes in the year including the following:

- Provided surveillance of Ghana's airspace and territorial waters.
- Collaborated with other Security Agencies to check illegal logging and mining to control environmental degradation (ops COWLEG, CALM LIFE, HALT, and GONGGONG).
- Contributed 2,034 troops with equipment towards international peace efforts.
- Trained 256 Officer Cadets at the Ghana Military Academy.
- Organized various courses for 1,612 participants at KAIPTC.
- Continued the construction of CDS Office Block.
- Continued the construction of the Army Headquarters Office Complex.
- Commissioned the BK Akafia Transit Lodge at Burma Camp in July 2021.
- Commissioned a swimming pool at the Tema Naval Base in 2021 for the training of personnel
- Signed a contract for the procurement of armoured vehicles from Israel.
- Signed a contract for the acquisition of 105 mm Guns (Saluting Gun) and 122mm Artillery Weapons
- Establishment of 15 FOBs across the Northern Border (supply of equipment in progress)
- Procured 40 Jeeps from Spain
- Powering the Military Hospital in Afari, Kumasi.
- Completed an Ultramodern Gymnasium and Swimming pool at MOD.
- Initiated and monitored the Second(II) Phase fumigation and disinfection exercise at MOD and GAF barracks/institutions.
- Undertook Renovation Works at MoD.
- Procured Furniture and fittings for Offices at MoD.

A total of 1,855 army recruits passed out from training in the First Quarter of 2021 while 1,286 are currently under training. 81 Officers on Senior Staff

Course and 60 Officers on Junior Staff Course graduated from the Ghana Armed Forces Command and Staff College (GAFSC) in the Third Quarter. Asphaltting of Barracks roads in Garrisons is in progress. Reconstruction works of the Military Academy at Teshie progressed steadily.

4.1 ARMED FORCES PROGRAMME

The Ghana Armed Forces collaborated with other security agencies within the year and carried out various operations, COWLEG, CALM LIFE, HALT, GONGGONG and VANGUARD. The Armed Forces provided security to civil society and also checked illegal logging and mining to control environmental degradation.

The Ministry established ten (10) Mechanised Battalion at Wa, eleven (11) Mechanised Battalion at Bawku, three (3) Field workshop and three (3) Mechanical Transport Companies to improve security and deter threats of terrorism from the Northern Border.

The construction of the Forward Operating Base (FOB) at Ezinlibo in the Western Region which is part of the national strategic programme to protect the country's oil and gas resources is 25% complete.

The Ministry initiated processes to establish twelve (12) FOBs and three (3) logistics support stations along the Northern borders of the country to prevent cross border crimes and terrorist infiltration.

5.0 2021 PERFORMANCE REVIEW

The total allocation to the Ministry and its Agencies for the 2021 fiscal year was **Two Billion, One Hundred and Two Million, One Hundred and Three Thousand, Nine Hundred and Forty Six Ghana Cedis (GHC2, 102,103,946.00)**. *A summary of the allocation, Releases and*

Expenditure is shown in Table 1.

Table 1
Total Release and Expenditure as at September 2021

Economic Classification	Allocation GH¢	Actual Release GH¢	Actual GH¢ End Sept.2021	Variance GH¢	% Variance
	(a)	(b)	(c)	(a-b)	(a-b)/a * 100
Employee Comp.	1,500,566,785	1,183,587,085.14	1,183,587,085.14	316,979,699.86	21.1
Goods and Services	46,973,724	33,947,362.54	32,631,728.08	13,026,361.46	27.7
CAPEX	193,924,340	139,847,161.69	123,487,689.38	54,077,178.31	27.9
Sub-total (GoG)	1,741,464,849	1,357,381,609.37	1,339,706,502.60	384,083,239.63	22.1
IGF	25,730,507	21,571,000.00	21,571,000.00	4,159,507.00	16.2
DPs Fund	334,908,590.00			334,908,590.00	100
Sub Total (IGF&DPs)	360,639,097	21,571,000.00	21,571,000.00	339,068,097.00	94
Other Votes		83,052,273.54	83,052,273.54	-84,052,273.54	
Grand Total	2,102,103,946	1,462,004,882.91	1,445,329,776.14	640,099,063.09	30.5

Source: Programme Based Budget of the Ministry of Defence

6.0 2022 PERFORMANCE OUTLOOK

The Ministry of Defence has outlined the following programmes and activities to be executed in 2022 financial year:

- i. Operationalise the amended Ghana Armed Forces (Amendment) Regulations, LI 1332,
- ii. Provide Country surveillance to deter any forms of security threats,
- iii. Contribute troops and equipment towards international peace efforts based on the invitation of the United Nations Peacekeeping Mission,
- iv. Recruit 3,000 personnel into the Ghana Armed Forces to enhance security of the nations,

- v. Train and retrain personnel of the Armed Forces,
- vi. Rehabilitate of barracks roads in all garrisons across the country,
- vii. Construct works on the Phase III of the 37 Military Hospital Expansion,
- viii. Ghana Airforce to take delivery of the K8 Aircraft and oversee the manufacturing of L-39 NG Fighter and Trainer Aircraft,
- ix. Ghana Navy to acquire Navy ships and fast patrol boats to facilitate maritime activities,
- x. Establish twelve Forward Operating Base (FOB) to prevent cross border and crimes and terrorist infiltration.

The 2022 Budgetary allocation for the Ministry will be applied to the following Programmes and Activities;

6.1 PROGRAMME 1: MANAGEMENT AND ADMINISTRATION

The Ministry will initiate, formulate, implement, monitor and evaluate Defence Policies to ensure national cohesion and territorial integrity. The programme covers all support services offered by the Defence Headquarters and its departments. A total allocation of GHS **194,139,452.00** has been allocated for the delivery of six (6) sub programmes.

General Administration

General supervision and the implementation of programmes, policies and projects for the Ministry will be executed through this sub programme. Guidance for the general Ministry's development plan, budget and procurement implementation to ensure value for money from service providers will be under this sub-programme. An amount of GH¢**382,760.00** has been allocated to the sub-programme.

Finance

An amount of GH¢**190, 938,291.00**, has been allocated to the finance sub-programme to coordinate activities and directives to ensure provision of resources and logistics for effective operation of the Ministry. It will ensure

compliance with acceptable procedures and facilitating budgetary control and management of financial resources among others.

Human Resource

An amount of **GHC408,067.00** has been allocated for the training and retraining of staff and officers at various levels and the implementation of welfare activities.

Policy, Planning, Budgeting, Monitoring and Evaluation

A total amount of **GHC 803,832.00** has been allocated to formulate, implement, monitor and evaluate the Ministry's policy, programmes, projects and activities for the 2022 financial year.

Defence Cooperation, Research and Information

The Research and Defence Cooperation sub-programme has been allocated **GHC291,727.00**, to coordinate the Ministry's statistical database to support policy formulation, information on defence and security matters as well as memorandum of understandings (MOUs) and Defence Cooperation Agreements. This activity will encompass research into national, regional and international defence, peace and security issues.

Veterans Administration

Under this sub programme, activities will be undertaken to promote the welfare of military veterans and their dependants through the provision of medical and rehabilitation care to the infirmed, disabled, destitute and the aged. To achieve this, an amount of **GHC1, 314,775.00**, has been allocated.

6.2 PROGRAMME 2: THE GHANA ARMED FORCES (GAF)

The Ghana Armed Forces has been allocated a total amount of **GHC2,017,692,862.00**. This amount will be used to implement activities under six (6) sub programmes listed below:

General Headquarters (GHQ)

The General Headquarters will coordinate, monitor and evaluate activities of various programmes under the GAF. To implement this, an amount of **GH10, 254,693,744.00**, has been earmarked.

Land Operations (Ghana Army)

An amount of **GHC38,376,432.00**, has been allocated to implement the Command control and other activities of the Ghana Armed Forces in safeguarding the territorial integrity of the country against external aggression. The Army will also assist civil authorities to maintain law and order.

Naval Operations (Navy)

With a budgetary allocation of **GHC112, 593,717.00**, the Ghana Navy will protect the country's maritime resources by enforcing maritime laws in collaboration with other agencies. The Navy would be equipped with new speed boats and ships for the effective patrol and surveillance of marine environment.

Air Operations (Air Force)

The Ghana Air Force under the sub-programme will defend the territorial airspace of Ghana to support national peace, stability and nation prosperity. In addition to this, the Air Force will provide air transport support to the Armed Forces and civil authorities. An amount of **GHC107, 712,591.00**, has earmarked for these activities.

Military Health Service

An amount of **GH C85,181,878.00**, has been allocated to the Ghana Armed Forces Medical Service (GAFMS). This allocation is to support healthcare services provided by the 37 Military Hospital and seventeen (17) Medical Reception Stations (MRSs).

Defence Advisors

Defence Advisors attached to various High Commissions and Embassies to proffer advice on defence related issues have been allocated an amount of **GHC9,134,500.00** for their activities for the 2022 financial year.

6.3 PROGRAMME 3: GHANA ARMED FORCES CAPACITY BUILDING

An amount of **GHC31,992,686.00**, has been allocated for the implementation of the sub programmes and activities listed below:

6.4.1 Military Academy and Training Schools (MATS)

There are fifteen (15) schools which run specialist courses at Teshie, Burma Camp and Achiase under this sub programme. An amount of **GHC21,652,716.00**, has been allocated for initial training of personnel enlisted for commission in the Armed Forces, and to also train and retrain service personnel in the Service.

Ghana Armed Forces Command and Staff College (GAFSC)

To continue to provide both tactical and operational training needs of Command Staff, the GAFSC has been allocated an amount of **GHC 7,757,480.00**.

Kofi Annan International Peacekeeping Training Centre (KA IPTC)

The Kofi Annan International Peacekeeping Training Centre (KA IPTC), will contribute to the development of regional and sub regional capacity building in the delivery of conflict management. An amount of **GHC2, 582,490.00**, has been allocated for the purpose.

6.4 2022 Budgetary Allocation by Economic Classification and Funding Sources

Table 2 shows the 2022 budgetary allocation to the Ministry of Defence by economic classification and funding sources.

Table 2: Economic Classification and Sources of Funding for 2022

ITEM	GOG¢	IGF¢	DONOR¢	TOTAL¢	PERT.%
COMPENSATION	1,800,271,000			1,800,271,000	80.23
GOODS & SERVICES	35,148,000	29,904,000		65,052,000	2.90
CAPEX	196,905,000		181,597,000	378,502,000	16.87
TOTAL	2,032,324,000	29,904,000	181,597,000	2,243,825,000	100.00
PERT%	90.6	1.3	8.1	100	

Source: Budget Statement and Economic Policy of Government for the 2022 fiscal year

Total allocation made to the Ministry of Defence for the financial year 2022, is **GH¢ 2,243,825,000.00**. Compensation for Employees constitute **80.23%**, Capex **16.87%** and Goods and Services **2.90%**. GOG remains the major source of funding to the Ministry, contributing **90.6%** of total budget with Donor support accounting for **8.1%** while IGF contributes **1.3%**.

7.0 OBSERVATIONS AND RECOMMENDATION

7.1 Budgetary Allocation

The Committee noted that the Ministry presented a proposed budget of **GH¢ 2,342,086,057.31** to enable it effectively execute its programmes and projects for the 2022 financial year. However, the Ministry was provided with a ceiling of **GH¢ 2,243,825,000**. (Source: Ministry's presentation).

The Committee observed that, an amount of Three Hundred and Fifty Million has also been allocated for the retooling of the Armed Forces as part of critical requirement for 2022.

The Ministry again, had additional releases for Goods and Services to the tune of **GH¢84, 367 million** in respect of outstanding claims due the Ghana Oil Company Limited and repair works on Aircraft.

Problem of Ring fencing of Funds

The Committee was informed that the Goods and Services budget for the Ghana Armed forces was mostly ring fenced for fuel at a cost of **GH¢10,000,000** and food at a cost of **GH¢16,720,000**. This poses a challenge to the management of the budget made for the Armed Forces. Ring-fencing of

such funds posed a challenge to managers of the service, as it did not allow for current expenditure.

Missions

The Committee was informed that, the United Nations has requested that Ghanaian Soldiers should handle two missions. As a result, thousand officers and men would be deployed to undertake the mission programmes. It was indicated that missions are pre-financed by participating countries and reimbursement, which forms a bulk of the Armed Forces Internally Generated Fund (IGF) is paid in tranches over a period of time. This arrangement poses a challenge to the implementation of programmes of the Armed Forces. The Committee, having taken note of the challenges, recommends that, the Ministry of Finance reconsider making an additional allocations for Goods and Services to the Armed Forces budget during the mid-year budget review.

The Committee observed that the Ministry was confronted with huge indebtedness in respect of electricity and fuel to the tune to the tune of GH¢142, 121, 480 and GH¢46,500, 730.25 respectively as at September, 2021

7.2 Terrorist Threats

The Committee observed that threats of terrorism remains potentially imminent country as terrorists activities have intensified within West African the sub-region. It was noted that countries sharing borders with Ghana have all been attacked and intelligence gathered indicated that terrorists arrested in neighbouring countries had once used the country's points of entry and exit. The Committee recommends that the Armed Forces be adequately equipped to stand ready to prevent any possible terrorist attacks on the country.

The Ministry updated the Committee on the state of threats especially in the Northern part of the country and the border regions. Evidence has been picked up that active terrorist cells operated closely and that the threat was very imminent hence necessary precautions should to be taken to prevent its fruition. The Committee was assured that the Armed Forces is holding itself

in readiness to avert any of such attacks that would destabilise the peace of the country.

7.3 Asphaltting of Roads in Barracks

The Committee was informed that a total road network of about 250 kilometres within the various barracks in the country are being asphalted. This the Committee noted was a capital intensive project and applauded the Ministry for taking such step to accomplish the project.

7.4 37 Military Hospital

The Committee was informed of plans to commence part I of phase III of a 700 bed hospital estimated at 280 million dollars. The Committee was informed that an amount of 100 million dollars has been made available to commence the part 1 of the project. The other two parts will be executed within the next two years. This the Ministry indicated was in line with the modernisation agenda of the Ghana Armed Forces which includes the provision of a 700 bed facility for military hospital by 2025.

The Ministry informed the Committee on the impact of Covid-19 on the Internally Generated Funds (IGF) where it disclosed that larger portion of the funds were used to treat Covid-19 cases. The hospital generally provides services to all civilians and as a result part of the IGF was used in treating covid-19 cases. Even though there were some refunds, it was stated that funds were not enough and treatment was still ongoing.

The Armed Forces was not affected by the COVID pandemic due to rigorous measures have been put in place to reduce the impact. However evidence and numbers showed that a high insurgence of Civilian COVID cases were reported at the Hospital.

The Committee was informed that over the period an amount of over GHS 900 million was spent on COVID and that the Ministry of Finance had released GHS 699 million which had not been received yet.

The Military again disclosed to the Committee that there is an outstanding debt of GHS 230 million arising from COVID treatment of civilians.

Having regard to the challenges faced by the 37 Military Hospital, which has been designated to be a National Disaster Centre, the Ministry has started making preparations towards the introduction of a legislation that seeks to develop a regulatory framework which would enable it access a regular budget allocation to support the delivery of medical services.

7.7 Inadequate Goods and Services

The approved budgeted amount for Goods and Services for 2021 was GHS 46,973,724.00 with only GHS 33,947,362.54 being released to the Armed Forces. This represents a variance of GHS 13,026,361.46. This, the Committee noted was woefully inadequate to implement the various programmes of the Armed Forces as indicated below. The Committee observed that the Budget Ceiling given for 2022 was not different from that of the previous year.

The Committee therefore recommends to the Ministry of Finance to fund the Armed Forces adequately to enable it combat threats effectively.

7.8 Lack/ Inadequate Accommodation

The Committee noted a 40% deficit in residential accommodation for the Forces. There was also a lack of office facility at newly established battalions which included the 10 and 11 Mechanised Battalions, the 154 and 155 Armoured Regiments, the Armoured Training School and Artillery Training School.

8.1 Delay on Afari Project

The Committee noted that the Afari Military Hospital Project in the Ashanti Region had delayed significantly as a result of financial contractual disagreement between the contractor and the Ministry of Finance.

The Committee urged the Ministry of Finance to immediately resolve its issues with the Contractor since the operationalisation of a fully functioning hospital would not only provide good and quality healthcare but would also be a step in the right direction in fulfilling the Sustainable Development Goal on Health

which is concerned with ensuring healthy lives and promoting the well-being of people of all ages.

8.2 Lack of Equipment to Support the 48th and 49th Engineers

The Committee noted that the 48th and 49th Engineer Regiment of the Ghana Armed Forces were not involved in the ongoing asphaltting of roads in all barracks. This is because the Regiment lacked the requisite equipment to undertake such large scale project.

It is worthy of note that a joint venture company named the 360 Defence Builders Company Ltd had been formed to provide equipment to the 48th and 49th Regiment to perform its designated function properly.

8.3 Encroachment of Ghana Armed Force Lands

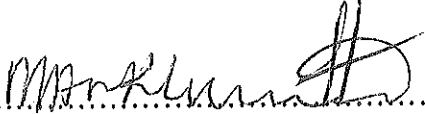
It was observed that encroachment challenges being faced by the Armed Forces are being addressed. Arrangements are being made to properly secure and obtain titles for all lands belonging to the Armed Forces. The Committee urged the Ministry to secure these lands with perimeter walls to prevent further encroachment.

9.0 CONCLUSION

The Committee, having carefully examined the estimates of the Ministry and its agencies, is of the candid view that the levels of allocation is inadequate for the implementation of the various programmes and activities of the Ministry.

This notwithstanding, the Committee recommends for the approval of the House, the sum of **Two Billion, Two Hundred and Forty Three Million, Eight Hundred and Twenty Five Thousand Ghana Cedis (GH¢2,243,825,000)** allocated to the Ministry of the Defence for the Financial Year ending 31st December 2022.

Respectfully submitted.


.....
HON KEN OHENE AGYAPONG
CHAIRMAN, COMMITTEE ON
DEFENCE AND INTERIOR


.....
MS JANET FRIMPONG
CLERK TO THE COMMITTEE

Respectfully submitted.

