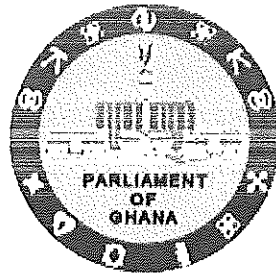


IN THE FIRST SESSION OF THE EIGHTH PARLIAMENT OF THE
FOURTH REPUBLIC OF GHANA



FOURTH REPORT OF THE APPOINTMENTS
COMMITTEE

ON



HIS EXCELLENCY THE PRESIDENT'S
NOMINATION OF MR. KEN OFORI-ATTA AS
MINISTER DESIGNATE FOR FINANCE

Acc No : 3260 CS

MARCH, 2021

Class No: CR/MDF/21

FOURTH REPORT OF THE APPOINTMENTS COMMITTEE ON HIS EXCELLENCY THE PRESIDENT'S NOMINATION OF MR. KEN OFORI ATTA AS THE MINISTER-DESIGNATE FOR FINANCE

1.0 INTRODUCTION

1.1 Pursuant to Articles 78 (1) and 256 (1) of the Constitution of Ghana the nominees of H. E. the President for Ministerial and Regional Ministerial appointments were communicated to Parliament on 22nd January 2021. The nominations were referred to the Appointments Committee by the Rt. Hon. Speaker for consideration and report in furtherance to Order 172 of the Standing orders of the House.

1.2 A total number of forty-six (46) names, comprising thirty (30) Ministers of State-designate and sixteen (16) Regional Ministers-Designate were submitted to the Committee for consideration and recommendation to the House. Though scheduled for consideration among the nominees considered for the first batch, the nomination of the Minister-Designate for Finance could not be considered because the nominee had to seek further medical attention in the United State of America. Permission to that effect was, accordingly, sought and same was granted.

1.2 The Committee met on Thursday 25th to Friday 26th March 2021 and considered the nomination of the Minister-Designate for Finance, Mr. Ken Ofori-Atta.

2.0 REFERENCE DOCUMENTS

The Committee principally relied on the under-listed documents during its deliberations:

- i. The 1992 Constitution of the Republic of Ghana;
- ii. The Standing Orders of the Parliament of Ghana; and

iii. The Curriculum Vitae (CV) of the Nominee.

3.0 CONSIDERATION OF THE REFERRAL

3.1 In furtherance of Order 172 (3) of the Standing Orders of the Parliament of Ghana, the names of the nominees were published in newspapers with national circulation for the attention of the general public. The Committee, also through the publication, requested Memoranda in respect of the nominees from the general public.

3.2 The Committee subsequently sought and obtained Confidential Reports in respect of the nominee from the Ghana Police Service and the National Intelligence Bureau (NIB). The Committee also requested and obtained Tax Status Reports on the nominee from the Ghana Revenue Authority (GRA).

3.3 The Committee thereafter held Public Hearings to consider the nomination. The nominee subscribed to the Oath of a Witness before proceeding to answer questions posed by Hon Members. The questions were related to their CVs, eligibility, competence, and issues about the offices for which he has been nominated. Other questions of national concern were also asked of them.

4.0 OUTCOME OF DELIBERATIONS

The Committee after its deliberations report on the nominee as follows:

MR. KEN OFORI-ATTA

-

**MINISTER-DESIGNATE
FOR FINANCE**

4.1 Background

Mr. Kenneth Nana Ofori-Atta was born on 7th November, 1959 at Kyebi in the Eastern Region. He began his primary education at the Kyebi Government School (1965-1967) and continued at the New Town Experimental School in 1967 and later continued at University Primary School from 1967 to 1969. He then proceeded to the Achimota Primary School to complete his primary education. He then progressed to the Achimota

School where he obtained his Ordinary Level and Advanced Level Certificates in 1976 and 1978 respectively.

The nominee pursued his first-degree programme from 1980 to 1984 at the Columbia College, New York, USA, and was awarded a Bachelor of Arts in Economics. He also attended the Yale School of Management in New Haven, Connecticut, USA, and obtained the Master of Business Administration (MBA) with Finance option from 1984 to 1988.

Mr. Ofori-Atta began his career at Morgan Stanley & Co. (Wall Street, NY) as Financial Analyst from 1984 to 1986. He co-founded Databank Financial Services Ltd where he worked as the Executive Chairman of the company from 1990 to 2012, and from 2012 to 2015 he served as the Chairman.

The Nominee, among others, also served as the Chairman of the Trust Bank Ltd, Gambia (1999-2015) the Chairman of the Databank AgriFund Manager Limited (2012-2016), the Director of the Bank of Kigali (2015-2017), Director, Enterprise Group Ltd, (2010-2015), the Director of the International Bank, Liberia (2007-2015), and Chairman of the Family Ventures and Offices Limited, a West African Investment Platform (2013-2020).

The Nominee has also received several prestigious awards including the John Jay Fellow for 2011 by the Columbia University, New York, 2nd Most Respected CEO in Ghana in 2007 and the 2009 PWC's Personality of the Year 2000 and the Marketing Man of the Year Award for 1996 by the Chartered Institute of Marketing, Ghana.

From 27th January, 2017 to Jan 6th 2021, the nominee served as the Minister responsible for finance and currently the President's representative at the Ministry of Finance.

4.2 Responses to Questions

The nominee, among others, responded to the under-listed questions and concerns of Members:

- Justification for the resubmission of the Agyapa Transaction to Parliament;
- Status of Ghana's current total debt;
- The Amount of Money spent on the Financial Sector Clean up
- Public Sector Wage Negotiations;

- Funding for GHc100 billion Ghana CARES (“*Obaatan pa*”) Programme;
- Challenges in the Implementation of the Revenue Capping Policy;
- Improving on Value for Money (VfM) Assessment Regime of the Country;
- Alleged Conflict of Interest in the Agyapa Deal;
- Acceptance of LBGQI+ as Condition for Grant of Foreign Aid;
- The rationale for the proposed tax hikes by the Government;
- Supreme Court Ruling on the calculation of the 5% of Total Revenue for the District Assemblies Common Fund (DACF);
- Construction of Hostel Accommodation for Kayayeis;
- Establishment of a National Development Bank;
- PDS and MCC and efforts to find private sector participation
- Marine Drive Tourism Investment Project;
- Banking/Financial Sector Clean –Up;
- Enhancing Revenue Collection;
- Management and Use of Petroleum Revenues;
- Strangle Hold over the Financial Sector by Close Business Associates;
- Covid-19 Expenditure;
- Payment of contractors and other service providers;
- COVID-19 and the tourism and the general hospitality industry;
- Government Support for Indigenous Ghanaian;
- Status of Governments Transformational Agenda;
- Increasing Levels of Poverty;
- Payment to Depositors of Collapsed Savings and Loans Companies;
- Criminalising Unexplained Wealth;
- Illicit Financial Flows;
- Procurement of Transaction Advisor for the AGYAPA Transaction;
- Engagement of Technical Advisors at the Ministry of Finance;
- The Role of Strategic Mobilization Ghana Limited;
- Bank of Ghana Financing Above Parliamentary Approval;
- Plans to Sustain the Cocoa Industry;
- Increasing Tax to GDP ratio from 13% to 20%;
- Messrs McKinsey’and Co workings with GRA;
- Payment of Monthly Pension; and
- Assets Declaration and honouring tax obligations

Details of the above are presented below:

a. Justification for the resubmission of the Agyapa Transaction to Parliament

Responding to a question as to the justification for the resubmission of the Agyapa Transaction to Parliament Government despite seeming disapproval by some sections of the public, the nominee noted that the basis of the transaction was the that was passed by Parliament and the Ministry did not deviate in any way from the dictates of the Act. The Minister-Designate for Finance stressed that the overall goal of the transaction was to reverse the current trend whereby the State benefits very little from its natural resources and to leverage on it to spur economic growth and transformation of the country. In the nominee's view, the new normal economy created by the COVID 19 pandemic requires special purpose vehicle arrangements to create equity and inclusion in the country's transformation and development efforts and that Ghana stands to benefit more from the "new normal" if national revenue generation and collection are diversified.

The nominee expressed concern that despite the country's long history of minerals exploitation it has very little to show as benefits from the utilisation of natural resources. He also cited the cocoa sector where Ghana is operating in the over \$100b markets but rather earns less than \$2b because the nation has been focusing on the export of raw beans.

The nominee emphasised that it was these reasons which informed the enactment of the Minerals Income Investment Fund Act, 2018 (Act 978), to empower the Government to assign or transfer any rights of its mineral income to a Special Purpose Vehicle which would then be used to raise equity for the development of the country.

As to whether the new Agyapa would be responsive to the concerns expressed on page 63 of the Anti-Corruption Risk Assessment Report by the former Special Prosecutor, Mr. Martin A.B.K. Amidu and not be "A leaking pipe in the public purse...", and "a windfall" for a section of Ghanaians...., the nominee indicated that it is unfortunate such a report would be put out in the public domain without the views and concerns of the Minister and the Ministry being taken on board. The nominee considered that a disservice to the country's democracy which should not be encouraged. The nominee opined that every activity involves some level of risk which would require continuous evaluation and

reassessment. He, therefore, underscored the Government's position to resubmit the Agyapa Royalties transaction to Parliament for scrutiny and approval as stated by President Akufo-Addo in his State of the Nation Address for Parliament to scrutinise to ensure that the best deal is obtained for the country. According to him, the Agyapa transaction was clean and would enable the country to raise the needed capital to support the socio-economic transformation envisioned by the forebears of the nation.

a. Status of Ghana's current total debts

Commenting on why the total debt of the country was reported without the inclusion of the energy sector and financial clean-up debts, the nominee indicated that as reported in paragraph 149 on page 36 of the Budget and Economic statement of the Government for the 2021 fiscal year, the country's debt position of GH¢291.614billion, representing 76.1% of GDP include the energy and financial sector debts. The nominee explained that the further segregation does not in any way mean exclusion but provision of additional information regarding composition. The nominee added that because the full extent of the energy sector and financial sector bailouts is yet to be determined it would not be appropriate to include them in the table showing the total national debts. He informed the Committee that there was an on-going audit, expected to be completed in the third and fourth quarter of 2021, to ascertain the full reach of the bailouts. He assured the Committee that once the exercise is completed, the Ministry of Finance would reconcile the true debt position and revise the fiscal table in accordance with international best practices.

b. The Banking /Financial Sector Clean-up

Responding to a question as to the amount of money spent on the financial sector clean-up exercise, the Minister-Designate informed the Committee that it was within the purview of the Bank of Ghana (BOG); so, BoG would have the total figure. The nominee, however, intimated that about Ghc21 billion Cedis has been spent. In his view, this may not be the final figure, and that the total figure would be known at the end of the second and third quarters when BoG would have had all the figures added.

The nominee stressed that the actions taken by the BoG were critical to saving the country's financial sector from total collapse. That the bad conduct and behaviours of some of the commercial banks and other financial institutions should never be

allowed to be repeated. To this end, BoG has strengthened its monitoring and supervision. Also, the BoG is leading the sector to formulate and implement rules and guidelines that would promote and sustain good corporate practices.

The nominee refuted the claim that the banking /financial sector clean-up target specific individuals or institutions and explained that the research on the banks and the mess in the sector was identified by the previous management of the BoG and what the new administration did was simply to follow through with the processes for the clean-up. Referring to the 2016 SONA by H.E. President Mahama, the nominee stressed that the previous government recognised the problem before the NPP government took over in 2017.

c. Public Sector Wage Negotiations

On why the 2021 Budget was silent on public sector wage adjustment or increase, the nominee informed the Committee that there has been a relatively stable labour environment because the two ministries, MoF and Ministry of Employment and Labour Relations have made special efforts to create a partnership with labour and employers which has enable information sharing and understanding government during the past four years. The nominee stressed that the Government has kept faith with labour and assured the Committee that Government will continue to keep good faith with labour and that the decision of wage review would not be done unilaterally but through negotiations among the relevant stakeholders for a conducive agreement that would be acceptable to all.

d. Funding for Gh¢100 billion Ghana CARES (“*Obaatan pa*”) Programme

Regarding the amount of money the Government intends to invest in the programme, the Nominee informed the Committee that the Government has planned to raise seed money in the amount of GH¢100billion to implement its flagship Ghana CARES (“*Obaatan pa*”) programme. The nominee indicated that programme, which is the largest single stimulus package to manage the adverse effects of the COVID-19 is to support post COVID programmes to stabilize, revitalize and transform Ghana’s economy to create jobs and prosperity for Ghanaians over three years. The nominee expects the implementation of the Ghana Cares programme’s to rebound the economic growth of the country to five (5) percent.

On strategies to fund the programme, the nominee intimated that the Government has formed a Committee under the leadership of the Ghana Revenue Authority to raise GH¢30billion. The remaining seed money of GH¢70billion, however, was expected to be raised through public-private partnerships to be spearheaded by the Ghana Investment Promotion Centre (GIPC). He also disclosed that the proposed National Development Bank which would be established during the year is expected to assist the GIPC in the fund-raising efforts. With these measures, the nominee was confident that the country would emerge from the Covid-19 pandemic with a stronger and more resilient economy.

e. Challenges in the Implementation of the Revenue Capping Policy

Responding to why the Ministry of Finance continues to implement the expenditure capping policy, while MDAs are unable to implement planned programmes and projects due to inadequate budgetary allocations, the nominee reiterated the revenue capping policy enacted into law, the *Earmarked Funds Capping and Realignment Act, 2017 (Act 947)* was critical in dealing with the rigidities in the revenue management of the country which had been occasioned by the establishment of Earmarked Funds. He admitted that some funds such as GETfund and Road Fund have been challenged in terms of revenue flow to meet their expenditure obligations. He assured the Committee of investigating the application of the policy further to isolate Funds that have been impacted more and deal with on a case by case basis if his nomination is approved by the House.

f. Improving Value for Money (VfM) Assessment Regime of the Country

The Minister-Designate for Finance agreed with the Committee on the need to enhance the Value-for-Money (VfM) assessment regime of the country to protect the public purse. He admitted that the matter was of concern not only to the present Government but successive ones as well. He expressed his intention of working with the Attorney-General's Department and Cabinet to come up with possible regulations to improve VfM assessment standards and also ensure that no project receives approval for implementation until VfM audits are completed.

g. Alleged Conflict of Interest in the Agyapa Transaction

Touching on the potential conflict of interest situation in the execution of the Agyapa Minerals Royalty Transaction which had been raised in the Corruption Risk

Assessment Report on the deal by the former Special Prosecutor, Mr. Martin Amidu, the nominee debunked the allegation. He insisted that even though he was the Co-founder of Databank which was a local partner to the transaction advisor, Imara SA, he was not involved in the decision regarding their participation in the deal. He expressed his unhappiness about the conduct of the Former Special Prosecutor in the release of the reports, particularly, because he was not given a hearing to explain himself before the release of the report. He argued that Databank, which has since 2007 participated in such transactions of the activities of the Ministry, has the experience and the capacity to do the job and also advocated for clear rules which would make astute entrepreneurs serve the public in any capacity irrespective of its affiliations to address cynicism surrounding transactions such as the Agyapa deal.

h. Acceptance of LBGQI+ as Condition for Grant of Foreign Aid

On what his opinion was regarding the imposition of LBGQI+ on developing countries by some western countries as a condition for grant of aid, the nominee averred that the value system of a country are enduring legacies that must not be compromised for the simple reason that the country needs support. He cited the recent PDS saga where His Excellency the President demonstrated courage and put the country first in the face of certain imposition from the Millennium Challenge Authority (MCA), knowing well that his decision will result in loss of support to develop the power distribution sector. He assured the Committee that he would ensure that the maintenance of our Ghanaian value system reign supreme in all negotiations with western countries if his nomination is approved by the House.

i. The rationale for the proposed tax hikes by the Government

Responding to a question as to why the Government increased taxes amid the hardship of the COVID-19 pandemic, the nominee explained that Government was compelled to undertake such measures because of the national resource constraints which were occasioned by the COVID-19 expenditures, energy debt obligations, and the urgent need to resolve sanitation challenges of the country. He said that Government shared in the concern about current difficulties Ghanaians were going through but had to take the hard decision of imposing a tax as a way of burden-sharing to continue with the transformational agenda of the country. He believes

that the measures being adopted would ultimately open up great opportunities in the economy in the future which would also benefit all Ghanaians and asked that Ghanaians cooperate with the Government to deliver on their aspirations.

The nominee, however, added that despite the increase in the rate of some of the taxes, more incentives and interventions have also been earmarked under the Ghana Cares programme to reduce the incidence of the taxes and also to enhance the productive capacities of the citizens and industry.

j. Supreme Court Ruling on the calculation of the 5% of total revenue for the District Assemblies Common Fund (DACF)

On why the Ministry continue to exclude oil and cocoa revenue from the calculation of the Common Fund, the nominee stated that the assertion was not right. the nominee told the Committee that the Ministry of Finance recalibrated its financial accounting formula in compliance with the rulings of the Court. The Total Revenue of Ghana as used for allocations to the District Assemblies Common Fund includes Petroleum Revenue allotted as Annual Budget Funding Amount and non-tax revenue paid to Central Government and therefore exclude foreign loans and grants, Petroleum receipt paid into the Heritage and Stabilization Fund, retained Internally Generated Fund and levies imposed by Parliament for specific purposes under an Act of Parliament.

On the questioner's insistence that correspondence by the Lawyers of the plaintiff to the Ministry of Finance in April 2020 indicates otherwise, the nominee reaffirmed his earlier answer and suggested that perhaps there may be the need for the plaintiffs to double-check their method of calculating the 'Total Revenue' as the Ministry is compliant with the ruling of the court.

k. Construction of Hostel Accommodation for Kayayeis

Mr. Ofori-Atta although recalled the pledge by Government in its 2020 Budget Statement and Economic Policy to build Hostel facilities to accommodate Kayayeis, was unable to confirm the status of implementation but pledged to verify and report back to the House. He however posited that the thrust of the issues surrounding the provision of accommodation for the Kayayeis must be refocused

on providing more sustainable jobs in the northern and other deprived areas of the country to stem the rural-urban migration drift which resulted in the Kayaye phenomenon. He said it was for this reason that His Excellency launched the “Obaatan pa” Programme and also investing in human capital development, irrigation projects, and the construction of the International Airport in the northern part of the country.

i. Establishment of a National Development Bank

On why the country intends to establish a National Development Bank instead of revamping the Agricultural and the National Investment Banks (ADB and NID) which are not performing creditably and in dire need of liquidity support, the nominee informed the Committee that the re-organization of the banking sector calls for refocusing of state financial institutions. And that the ADB is being supported to concentrate on the development of the agricultural sector, whilst the NIB will be repositioned as an industrial bank to provide lending to industry to facilitate economic growth. The nominee explained that the Ministry of Finance and BOG agree as to the structure of the new NIB and by mid-year, there would be clarity on how to reposition it. According to the Minister, it is because of the government's desire to keep NIB alive that the Government through the Ghana Amalgamated Trust (GAT), has thus far injected about GHc1.3 to sustain the operations of NIB.

The Nominee also explained that the proposed National Development Bank will operate just like the KFW in Germany; which prioritizes national development.

m. PDS and MCC and efforts to find private sector participation

The nominee informed the Committee that he was not sure Ghana lost \$580 million as being speculated in the public domain. In his view, the entire conversation should be premised on the asset base and the security of the country. That it would have been imprudent to continue fake transactions when the basis of the engagement has been built on a fraudulent premise. According to the Minister-Designate, when the NPP government came in power in 2017, it identified the share-holdings of PDS, 80% foreign and 20% Ghanaian as unacceptable so did everything to change it to 59% and 41% foreign and Ghanaian respectively. This single approach defines the

NPP Government's readiness to let Ghanaians and Ghanaian companies actively participate in the economy.

On the issue of how much money was/is in the PDS account, the nominee informed the Committee that he could not comment on that as the issue is currently before a court and also Parliament.

n. Marine Drive Tourism Investment Project

Clarifying why the Marine Drive Tourism Investment Project (MDTIP), estimated at US\$1.2 billion and expected to produce 600,000 jobs did not appear in the 2021 budget statement even though it was boldly stated in the 2020 budget statement, Mr. Ofori-Atta assured the Committee that, the project is being pursued vigorously and is far from being blacked out. He stated that the MDTIP is one of the iconic projects expected to transform Ghana as a tourism destination.

He informed the Committee that the President has constituted a team led by Dr. Kwame Nyantakyi, who together with his team have taken various steps towards the realisation of the project. The challenge he stated, is about concluding arrangements for the payment of rights and finding the appropriate joint capital partners such as developers in Dubai among others.

He assured the Committee that, the MDTIP will witness major developments this year as part of many private partnerships that would be implemented through the 'Obaatan pa' Project.

o. Enhancing Revenue Collection

On what can be done to enhance revenue collection especially, property rates, the Nominee stated the issue of revenue collection has been a bane for the country for some time and revenue has always ranged between 13% to 15% of GDP which is below the case in other West African countries which hovers around 20% and 30% in the Organisation for Economic Co-operation and Development (OECD) countries.

He stated that to enhance the collection of property rates, there is the need to have properties digitised. And the Vice President and the former Senior Minister have done a lot of work in that area and there is the need to get properties digitised. He

added that there is a policy to transfer all 15.5 million people registered with National Identification Authority onto the Ghana Revenue Authority's list. This he believes will enable GRA to have big data on properties to enable property owners to pay the required tax.

He added that when properties are digitised, it will bring in huge revenue to the District Assemblies. Thus he advised that the governance structure of the Assemblies be strengthened to enable them to use the enhanced revenue that will come with the digitisation of properties judiciously.

p. Management and Use of Petroleum Revenue

Responding to unaccounted for Petroleum Revenue of GH¢2.46 billion and what PIAC calls the culture of impunity under his watch at the Ministry of Finance, the Nominee told the Committee that, this may be an honest mistake and assured the Committee that, this is not tantamount to any type of corruption from the Ministry or the Government. The Ministry he stated has had series of meetings with PIAC to reconcile some of the figures. He further assured the Committee that the Ministry is committed to working with PIAC to clear and resolve all issues relating to the GH¢2.46 billion figure by PIAC.

q. Strangle Hold over the Financial Sector by Close Business Associates

Responding to a growing concern over what some analysts call the stranglehold over the financial sector or state capture by the Nominee's close business associates and allies which might be inimical to the financial progress of the nation, the Nominee bemoaned that, the issue of state capture in the financial sector is difficult to behold. According to him even though the Minister for Finance has the power in determining who is appointed as board members in certain institutions, the issue of competence is very important to him and that is exactly what he looks out for.

He reiterated that his associates and him, came to public service to serve with the best skills set in investment which the Ministry of Finance previously lacked until his Government assumed power.

r. Covid-19 Expenditure

On whether he would commission an audit into the Covid-19 expenditure in the 2020 fiscal year, the Nominee assured the Committee that, when confirmed as the Minister for Finance, he will scrutinise the Covid-19 expenditure and report accordingly.

s. Payment of contractors and other service providers

On the issue of delays and or non-payment of contractors which has resulted in severe hardships for many companies, the nominee informed the Committee that the problem cannot be put on one side. To prevent future re-occurrence, the Minister-Designate informed the Committee, that the MOF is drafting a policy for cabinet consideration to guide the engagement of contractors and other service providers. In his view, governance is a continuum that must flow smoothly any time there are political power changes. Also, the MOF and all implementing Ministries, Departments, and Agencies will strengthen monitoring to ensure there is value for money on all contracts executed in the country.

t. COVID-19 and the Tourism and the General Hospitality Industry

In responding to a question why the 2021 Budget is silent on support to the tourism and hospitality sector which have been badly affected by the COVID-19 pandemic, the Minister-designate informed the Committee that in 2020, 2billion cedis was given to that sub-sector and that the proposed National Development Bank will provide additional support when set up soon. In his view, the location of the Head Quarters of AFTFC provides additional advantages of boosting tourism, and hence the government will do everything practical to develop sub-sector to create jobs as well as incomes for many Ghanaians.

u. Government Support for Indigenous Ghanaian Businesses

On measures being taken by the Government to make local businesses competitive and profitable, the nominee informed the Committee that as a centre-right government, the NPP has a strong belief in enterprise development as a vehicle for national development. In his view, the activities of the NBSSI and Exim Bank are all geared to resuscitate small and medium scale business that have been adversely affected by the COVID-19 pandemic to be on their feet to contribute their respective

quotas in national development agenda by creating more jobs and employment, good incomes and increases to national revenues.

In addition to the above, the Minister-designate informed the Committee that the Government through the BOG worked hard to ensure a relatively stable foreign exchange regime and stable lending rates throughout the pandemic period. Furthermore, the proposed National Development Bank when established will provide additional stimulus packages to make Ghanaian business viable and competitive at the African regional and global market places.

v. Status of Governments Transformational Agenda

The Hon Minister-designate in a response to a question on whether the numerous taxes introduced in the 2021 Budget Statement and Economic Policy of the Government for the 2021 financial year is an indication of the failure of the government to deliver on its promise to move the Ghanaian economy from a taxed based economy to a production economy and moving the economy beyond aids, the minister indicated that the decision by the government to abolish some 17 taxes in 2017 and the provision of free electricity, free water and other incentives to business during the COVID-19 era was meant to stimulate production and economic growth. He explained that the new taxes introduced in the 2021 budget are to allow for burden-sharing to enable the government to pay for covid-19 related expenses and the cost of banking sector clean up. He indicated that the impact of the new taxes on businesses is much less significant compared to the reliefs that the government extended to businesses in the last four years. He indicated further that, though the government committed to transform the economy, extraordinary circumstances in 2021 call for the introduction of additional taxes to deal with the effect of covid-19 related expenditure on the budget deficits. He assured the Committee that the new taxes were specifically directed at addressing specific issues including ensuring a clean environment, improving the energy sector to support industrialisation, pay for the cost of the financial sector clean up amongst others. He was confident that 'Ghana Beyond Aid', which will be driven by Obatanpa will gradually return the economy to the path of production and growth.

On the status of the unemployment insurance, the nominee explained that the government is in collaboration with labour and employers to design a workable scheme for the payment of the monies to the employees. He assured the Committee that resources were already released for the purpose.

w. Increasing Levels of Poverty

On what he will do to put money in the pockets of Ghanaians, the nominee believed that the government came into power at the time when the economy was in some form of distress with a high cost of living making things difficult. He admitted that much progress has been made in the last four years and the micro-economic figures are much better than what the government inherited in 2017. He mentioned the response of the government to alleviate the suffering of the people during the COVID-19 era as one of the means government intends to alleviate the suffering of the people and put money in the pocket of the Ghanaians. He acknowledges that the poor will always be with us and undertook to implement policies that will alleviate the suffering of the masses and reduce poverty in Ghana.

x. Payment to Depositors of Collapsed Savings and Loans Companies

In a response to a question on whether he intends to make funds available to the receiver for the payment of the depositors of collapsed Savings and Loans Companies, the nominee indicated that the government is committed to making funds available for the payment of depositors of all collapsed Savings and Loans Companies and other financial institutions. He indicated that the government had made available resources for the payment of depositors of collapsed financial institutions and is in the process of releasing some GHS8.5 billion to collapsed asset management companies to pay investors. He was confident that government will soon retire all the amounts involve and take the debt off its books. He explained that the government presently is running an extraordinary budget deficit but assured that the Ministry will release resources for investors and depositors to be paid their locked-up funds.

A1 Criminalising Unexplained Wealth

The Hon. Minister-Designate in expressing his opinion on the menace of unexplained wealth and its correlation to corruption explained that the digitalization programme

being undertaken by the government will provide the opportunity for the state to identify unexplained wealth and take a decisive decision on them. On whether he will introduce legislation to regulate unexplained wealth, the nominee called for a national debate on the subject. He was, however, confident that, if the harmonization of the national identification system and tax identification numbers is completed, it would enable State institutions to aggregate data to enable the state to identify unexplained wealth and deal with it accordingly.

A2. Illicit Financial Flows

In a response to a question on the measures he will put in place to halt illicit financial flows, the nominee lamented the huge amount of money Ghana and Africa loses annually to illicit financial flows and called for tightening of loopholes in the system to minimise the illicit flows. He indicated that most of the funds flow from the sale and export of gold by small-scale miners. He called for the measure to be put in place to tighten loopholes in the sale and export of gold out of the country. Mr. Ofori-Atta blamed the challenge partly on the liberalised system of gold export and called for a state-controlled system modeled around the Cocobod system to control the sale and export of gold out of the country by small-scale miners. He called for improved systems and structures to monitor and determine the purity of gold exported by the multinational mining companies to allow Ghana to realise the actual revenues that it deserves from the export of gold. He assured the Committee that if his nomination is approved, he will lead the process to develop new policies to regulate the sale/ export of gold and other natural resources of the country.

A3. Engagement of Transaction Advisor for the AGYAPA Transaction

Addressing the Committee on the procurement method used in the selection of legal advisor on the Agyapa transaction, the Minister-designate informed the Committee that the managers of the Agyapa deal procured the services of several law firms through a competitive procurement process. He informed the Committee that though he was not directly involved in the process but was confident that the right procurement processes were employed in the procurement of legal firms.

On the role of Databank and why they withdrew from the deal, the nominee affirmed that Databank was procured as transaction advisor to the deal. He indicated that though he is not a management staff of the company, he believes Databank withdrew from the deal due to the media controversies surrounding its role as a transaction advisor to the Agyapa Royalties transaction which is not good for the corporate image of the company. The Company according to their released indicated that they are withdrawing from the deal because they don't want to be the standing block on the way of a deal they thought was good for the republic. He indicated that Databank has been involved in the issuance of Bonds in Ghana since 2007 and was always procured through a competitive process. The nominee used the opportunity to expressed confidence in the Agyapa Royalties Deal describing it as an innovation that will certainly be a game-changer for the country.

A4. Recruitment and Engagement of Technical Advisors at the Ministry of Finance

Responding to a question on whether he engaged or recruited some technical advisors at the Ministry of Finance thereby interfering with the Civil Service structure in the Ministry and depriving Civil servants of the opportunity for progression, the nominee admitted engaging some technical staff to assist him to execute his mandate as the Minister of Finance. He explained that some of the technical advisors were engaged to ensure that certain specialised skills were made available at the Ministry by bringing in expertise from the private sector to assist in the specific areas. He, however, denies that the engagement of such officers interfered with the structures of the civil service. The nominee also denies that civil servants lost the opportunity for progression because of the presence of the technical advisors. The nominee informed the Committee that upon assumption of office he created more directorates to allow more civil servants to be promoted to director positions.

On whether the engagement of the technical advisors was done consistent with Public Service Regulations, the nominee explained that he is not aware of any Public Service Rule that was violated in the engagement of the advisors. Responding further to a question on why some of these officers are paid more than what their colleagues in the civil service receive, the nominee explained that, some of the experts are paid by development partners and their conditions of service are different from civil service conditions.

A5. The Role of Strategic Mobilization Ghana Limited

Addressing the Committee on the role of Strategic Mobilization Ghana Limited at GRA, the nominees indicated that, GRA engage the Strategic Mobilization Ghana Limited to amongst others verify imports, develop a system that measures petroleum input and output to boost revenue generation. According to the nominee, the system aimed at observing petroleum export to ensure that the country is not short-changed in its revenue in the export of petroleum resources. On whether the involvement of the company has resulted in increased revenue for the country and how the services of the company were procured, Mr. Ofori-Atta indicated that the Ministry of Finance was not directly involved in the procurement. He indicated that he has called for a meeting with all stakeholders involved to come together to deal with all the issues that have arisen from the engagement and operation of the firm.

A6. Bank of Ghana Financing of Central Government

Responding as to the quantum of the BOG support to the government the nominee indicated that the government did a GHc10 billion Asset Paper with the BOG. Quizzed further as to whether the funding is not more than the GHc10 billion indicated that to the best of his recollection, the amount is GHc10 billion though there are speculations in the public domain that the financing amounts to GHc22 billion. The nominee promised to further check on the matter and any explanation to otherwise, he would get back to the House.

A7. Plans to Sustain the Cocoa Industry

On what plans he has in place to sustain the cocoa industry and ensure farmers are paid on time if his nomination is approved, the nominee reiterated the commitment of the government to improve the livelihoods of cocoa farmers and their families. He assured that farmers who sell their beans to the government will be duly remunerated regardless of what happens in the global market. He assured that the government is committed to the welfare of farmers as indicated in the introduction of a pension scheme to further support cocoa farmers in addition to the supply of inputs to support farming.

A8. Increasing Tax to GDP ratio from 13% to 20%

The Committee noted that the Ministry in its 2020 Handing-Over Notes has set an ambitious target to increase tax to GDP ratio from 13% to 20% by 2024. The Committee

sought whether this will require the introduction of new taxes or increases in existing tax rates to attain the target. The nominee explained that the target of 20% tax to GDP ratio is in line with the average tax to GDP ratio in Africa which is within the range of 17-20%. He explained that to attain this target, the government intends to pay more attention to sectors within the economy that are either not taxed or undertaxed including property taxes. He was also confident that the digitization programme will also help expand the tax net and increase tax revenue generation without necessarily increasing taxes or introducing new taxes. He further indicated that the digitisation program will also increase tax compliance and increase tax revenue to the state.

A9. Messrs McKinsey and Co workings with GRA

Commenting on the work of Mckinsey's working with GRA, the nominee indicated that Mckinsey has been working with the Ministry of Finance and GRA since the early part of assuming office as the Finance Minister. The nominee also indicated that Mckinsey is currently working with the Ministry on the Ghana Care ("Obaatan pa") programme. With the GRA, the nominee indicated that McKinsey's role is to support the GRA in achieving its target in terms of revenue and also help develop a mindset of constant improvement through sourcing for ideas to change and improve the Authority. It was explained that the firm was engaged at the time that GRA was missing its targets and was expected that their engagement would help reverse the trend of missing targets.

McKinsey's engagement, was thus, to help change GRA's systems to be comparable to the best in revenue administration in the world through simplified processes and introducing innovation. As to whether he could associate GRA's ability to meet its revenue targets to the engagement of Mckinsey or the hard work of the staff, the nominee indicated that the achievement of the revenue target could be attributable to several factors, of which the engagement of the consultant could be one.

As to whether the right procurement procedures or processes were followed in the engagement of Mckinsey and Co consulting firm, the nominee stated that he believes GRA followed the procurement process in procuring the services of the consulting firm.

Regarding the contract sum, the nominee could not readily provide the amount and promised to submit the information in due course. The nominee, however, disagreed that the engagement of Mckinsey and Co. was a drain on the public purse.

A10 Payment of Monthly Pension

Responding to a question as to why the monthly pension used to be paid voluntarily retired Army Officers has been stopped, the nominee indicated that he did not have the fact on the issue and promised to work with the Minister of Employment and Labour Relations to investigate the matter and have it resolved when approved as the Minister of Finance.

A11 Assets Declaration and honouring tax obligations

Responding as to whether he had declared his assets in accordance with the Public Holders (Declaration of Assets and Disqualification) Act, 1998 (Act 550), the nominee indicated in the affirmative. He also indicated that he has honoured his tax obligations in accordance with the law.

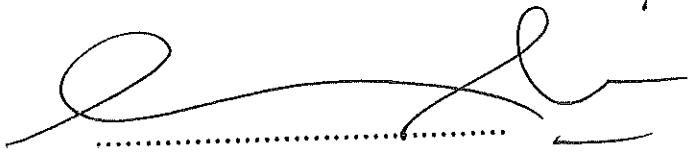
Recommendations

The Committee, *by consensus*, recommends to the House to approve the nomination of Mr. **KEN OFORI-ATTA** for appointment as Minister responsible for Finance.

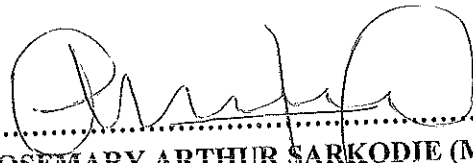
5.0 CONCLUSION AND RECOMMENDATION

The Committee, after deliberations on the nominations of H. E., the President for Ministerial Appointments and in accordance with Article 256 (1) of the 1992 Constitution and Order 172 of the Standing Orders of Parliament, recommends for the approval of the House, the nomination of Mr. **KEN OFORI-ATTA** for appointment as Minister responsible for Finance.

Respectfully submitted.



.....
HON. JOE OSEI-OWUSU
FIRST DEPUTY SPEAKER, & CHAIRMAN
APPOINTMENTS COMMITTEE



.....
ROSEMARY ARTHUR SARKODJE (MRS)
(CLERK TO THE COMMITTEE)

LIBRARY OF GHANA

MARCH, 2021