

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

REPORT

of the Committee on Defence and Interior

ON THE 2018 BUDGET ESTIMATES
OF THE MINISTRY OF DEFENCE

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**REPORT OF THE COMMITTEE ON DEFENCE AND INTERIOR ON THE
2018 ANNUAL ESTIMATES OF THE MINISTRY OF DEFENCE**

1.0 INTRODUCTION

On Wednesday the 15th of November, 2017, the Hon. Minister for Finance, Mr. Ken Ofori-Atta, in accordance with Article 179(1) of the 1992 Constitution of Ghana and Standing Order 138, delivered the Budget Statement and Economic Policy of the Government for the financial year ending 31st December, 2018 to Parliament.

The Rt. Hon. Speaker, Prof. Michael Aaron Oquaye, pursuant to Orders 140(4) and 158 of the Standing Orders, referred the Annual Estimates for the Fiscal year 2018 of the Ministry of Defence to the Committee on Defence and Interior for consideration and report.

1.1 COMMITTEE SITTING

The Committee met on Wednesday, 13th December, 2017, with the Hon. Minister of Defence, Mr. Dominic A. Nitiwul, the Hon. Deputy Minister for Defence, Mr. Derek Oduro, Senior Officers of the Military High Command, as well as officials of the Ministries of Defence and Finance to thoroughly deliberate the Estimates for 2018 pertaining to the Ministry of Defence and its Agencies.

The Committee is grateful to the Hon. Minister for Defence and all the officials for their extensive cooperation in this regard.

2.0 REFERENCE DOCUMENT

The following documents were used as reference guide during the Committee's deliberations:

- a. The 1992 Constitution of Ghana
- b. The Standing Orders of the Parliament of Ghana
- c. The Budget Statement and Economic Policy of the Government of Ghana for the 2017 financial year.
- d. The Budget Statement and Economic Policy of the Government of Ghana for the 2018 financial year.

- e. The Draft Annual Estimates of the Ministry of Defence for the 2018 financial year.

3.0 **BACKGROUND OF THE MINISTRY OF DEFENCE**

The Ministry of Defence (MOD) exists to formulate and implement national defence policies relating to internal and external security and the total defence of the nation including defending the territorial integrity of Ghana by land, sea and air. Its goal is to ensure security and adequate protection of life, property and the rights of all the people of Ghana, especially the vulnerable and the excluded within a democratic environment.

The Ministry's operations cover the following:

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

4.0 **THE MINISTRY'S KEY ACHIEVEMENTS DURING THE YEAR 2017**

The Ministry of Defence was confronted with some challenges in implementing some of its programmes, projects and general operations during the 2017 financial year. However, it was able to live up to its task of defending territorial boundaries and perform other administrative activities. Some of the key achievements in 2017 are as follows:

- i. Barracks Regeneration - First Four 4- storey block of sixteen (16) units flats project has commenced and work on all stalled SSNIT projects has commenced and payment effected to twenty (20) contractors.

- ii. Acquired four (4) Naval Vessels for patrols, repaired One (1) Aircraft CASA 295 and sent two (2) MI-17 helicopters for overhauling.
- iii. Provided adequate surveillance over Ghana's airspace and its international borders.
- iv. Improvement in combating violent crimes in conjunction with the police and other security agencies.
- v. Collaborated with other security agencies to check illegal logging and mining (Operation Vanguard) to curb environmental degradation and pollution of water bodies.
- vi. Contributed troops and equipment towards UN international peace efforts and also stabilization in the Republic of Gambia (ECOMOG).
- vii. First phase of recruit training is completed, second phase is underway and the third phase is about to commence.
- viii. Special Medical Intake (99 personnel) graduated from Military Academy in March 2017 and Officer Cadets (108 personnel) graduated in October 2017.

PERFORMANCE REVIEW OF FY 2017

| NO. | ITEM | 2017 APPROVED BUDGET (GH¢M) | EXPENDITURE AS AT SEPTEMBER, 2017 (GH¢M) | EXPENDITURE AS AT SEPTEMBER, 2017 (\$M) |
|-----|---------------------------|-----------------------------|--|---|
| 1 | Compensation of Employees | 700.444 | 566.006 | - |
| 2 | Goods and Services | 62.168 | 24.515 | - |
| 3 | Capital Expenditure | 50 | - | - |
| 4 | Retained IGF | 9.159 | 12.566 | 3.736 |
| 5 | Donor/Loans | - | - | - |
| | TOTAL | 821.771 | 603.087 | 3.736 |

5.0 OUTLOOK FOR 2018

For the year 2018 and beyond, the Ministry would want to maintain the peace that exists in the country. It intends to improve on its operational readiness

for the continuous maintenance of territorial peace and security. It will continue to provide adequate surveillance for Ghana's airspace and its international borders as well as collaborate with other security agencies to maintain law and order.

Furthermore, it will support the construction of roads, railways, dams, borehole drilling and tree planting as well as engage in farming to supplement the cost of feeding.

In 2018 the Ministry will establish a database of all military lands and properties and also initiate a process to properly acquire and document them in order to curb encroachment on Military Lands.

In view of the emerging contemporary security threats within the sub-region, the Ministry will facilitate the establishment of Special Forces Units for counter-terrorism and to ensure a high state of combat readiness.

The Ministry of Defence in accordance with the Program-Based Budgeting intends to undertake three major (3) programs with fifteen (15) sub-programmes in 2018 for which a total of **One Billion and Five Million, Six Hundred and Thirteen Thousand and Twenty Nine Ghana Ghana Cedis (GH¢1,005,613,029)** has been allocated.

Table 2: **PROGRAMMES AND SUB-PROGRAMMES**

| PROGRAMME | SUB-PROGRAMMES | ORGANISATION UNITS |
|--------------------------------------|--|--------------------------------------|
| Management and Administration | General Administration | Headquarters |
| | Finance | Office of Chief Director and Finance |
| | Human Resources | |
| | Policy, Planning, Monitoring and Evaluation | |
| | Defence Cooperation, Research and Information Management | |
| | Veterans Affairs | |
| Ghana Armed Forces | General Headquarters | Armed Forces Administration |
| | Land Operations | Army |
| | Naval Operations | Navy |
| | Air Operations | Air Force |
| | Military Health Service | 37 Military Hospital |

| | Defence Advisors | Commissions/Embassies |
|---------------------------------------|---|-----------------------|
| Armed Forces Capacity Building | Military Academy and Training Schools (MATS) | MATS |
| | Ghana Armed Forces Command and Staff College | GAFSCC |
| | Kofi Annan International Peacekeeping Training Centre | KAIPTC |

5.1 PROGRAMME 1: MANAGEMENT AND ADMINISTRATION

The Ministry will initiate, formulate, implement, monitor and evaluate Defence Policies to ensure national cohesion and territorial integrity under this programme. The program covers all support services offered by the Defence Headquarters and its departments through the delivery of five sub-programs for which a total of **Sixteen Million, Eight Hundred and Two Thousand, Seven Hundred and Eighty Four Ghana Cedis (GH¢16,802,784)** has been allocated. The five Sub- programs are:

5.1.1 General Administration

This sub-programme seeks to supervise and implement Government programmes, policies and projects for the sector. It will provide guidance for the general MoD Sector Medium-Term Development Plan (SMTDP), Budget and Procurement matters. To achieve this an amount of **One Million, Three Hundred and Seventy Nine Thousand, Six Hundred and Forty Nine Ghana Cedis (GH¢1,379,649)** has been apportioned.

5.1.2 Finance

This Sub-program is targeted at coordinating effectively the activities of the Ministry and its Directorates through the Office of the Chief Director and Director of Finance and Administration. An amount of **Thirteen Thousand, Seven Hundred and Seventy Seven Thousand, Seven Hundred and Thirty Seven Ghana Cedis (GH¢13,777,737)** has been allocated.

5.1.2 **Human Resource**

This sub-program exists to ensure the availability of human resource capacity to meet the needs of the Ministry. It involves training staff at various levels and competencies and implementing welfare programs. An amount of **Three Hundred and Eighty Nine Thousand, Five Hundred and Three Ghana Cedis (GH¢389,503)** has been provided for this purpose.

5.1.3 **Policy, Planning, Budgeting, Monitoring and Evaluation**

This sub-program seeks to formulate, implement, monitor and evaluate policies, programmes, projects and activities of the Ministry, including implementing workplace HIV/AIDS programs and gender mainstreaming initiatives. The amount allocated is **Three Hundred and Thirty Five Thousand, Four Hundred and Forty One Ghana Cedis (GH¢335,441)**.

5.1.4 **Defence Cooperation, Research and Information**

The Research and Defence Cooperation Sub-program seeks to establish a well-resourced statistical database to support policy formulation. It will coordinate information relating to defence and security matters including MOUs and Defence Cooperation agreements. It will undertake research into national, regional and international defence, peace and security issues. **One Hundred and Ten Thousand, Eight Hundred and Sixty Three Ghana Cedis (GH¢110,863)** is allocated to this sub-programme.

5.1.5 **Veterans Administration**

This sub-programme's objective is to promote the welfare of military veterans and their dependants by providing medical and rehabilitation care to those who are infirm, disabled, destitute and aged. The amount allocated is **One Million, Four Hundred and Nine Thousand, Five Hundred and Ninety One Ghana Cedis (GH¢1,409,591)**.

5.2 **PROGRAMME 2: THE GHANA ARMED FORCES**

The Ghana Armed Forces, which has been provided an amount of **Nine Hundred and Eighty Six Million, Three Hundred and Twenty Two Thousand, Four Hundred and Sixty Ghana Cedis (GH¢986,322,460)**,

comprises General Headquarters, the Army, Navy and Air Force. This amount will enable the Ghana Armed Forces to continue to defend the territorial integrity of Ghana by land, sea and air against internal and external aggression. It has six (6) sub-programmes as follows:

5.2.1 General Headquarters (GHQ)

The General Headquarters exists to implement policies and programmes formulated by MOD, ensure adequate budgetary allocation for GAF and coordinate, monitor and evaluate activities of various programmes under the GAF. It has a budget allocation of ***Nine Hundred and Twenty Seven Million, Eighty Eight Thousand, Three Hundred and Fifty Four Ghana Cedis (GH¢927,088,354)*** for the year 2018.

5.2.2 Land Operations (GHANA ARMY)

The Ghana Army's main operation is to look at the Command and Control activities of the Ghana Armed Forces in safeguarding the territorial integrity of Ghana against external aggression and in assisting civil authorities in maintaining and/or restoring law and order. This sub-programme has a budgetary allocation of ***GH¢3,907,958***.

5.2.3 Naval Operations (NAVY)

This sub-programme with a budgetary allocation of ***Four Million, Four Hundred and Forty Three Thousand and Sixty Ghana Cedis (GH¢4,443,060)*** is aimed at enabling the Ghana Navy to continue to serve as deterrent to any potential aggressor and to protect the maritime resources through the enforcement of maritime laws in collaboration with other agencies within Ghana's maritime jurisdiction.

5.2.4 Air Operations (AIR FORCE)

The Ghana Air Force aims at protecting and defending the territorial airspace of Ghana in support of national peace, stability and prosperity. With a budget of ***Five Million, Six Hundred and Thirty Six Thousand and Forty Ghana Cedis (GH¢5,636,040)*** it will also provide air transport support to the Armed Forces and civil authorities.

5.2.5 Military Health Service

Healthcare in the Military is provided by the Ghana Armed Forces Medical Service (GAFMS) made up of the base hospital which is the 37 Military Hospital and seventeen (17) Medical Reception Stations (MRSs). Seventy per cent (70%) of GAFMS clientele are civilians. The budget allocation is ***Eighteen Million, Five Hundred and Fourteen Thousand, Three Hundred and Seventeen Ghana Cedis (GH¢18,514,317)***.

5.2.6 Defence Advisors

The Defence Advisors are attached to the various High Commissions/Embassies to advice on Defence related issues and serve as liaison between host countries and GAF. An amount of ***Twenty Six Million, Seven Hundred and Thirty Two Thousand, Seven Hundred and Thirty One Ghana Cedis (GH¢26,732,731)*** stands allocated.

5.3 PROGRAMME 3: GHANA ARMED FORCES CAPACITY BUILDING

This programme, with an allocation of ***Two Million, Four Hundred and Eighty Seven Thousand, Seven Hundred and Eighty Five Ghana Cedis (GH¢2,487,785)*** exists to contribute to the development of regional and sub-regional capacity in the delivery of integrated peace support operations, and, enhancing Regional and Sub-regional capacity for conflict prevention. The Programme is delivered through MATS, GAFSC and KAIPTC. This Programme has three (3) Sub-Programmes which are:

5.3.1 Military Academy and Training Schools (MATS)

MATS, made up of fifteen schools which run specialist courses at Teshie, Burma Camp and Achiase, is responsible for the initial training of personnel enlisted for commission into Ghana Armed Forces and to provide continuous training for service personnel. It has a budgetary allocation of ***Five Hundred Thousand, Two Hundred and Eighty Five Ghana Cedis (GH¢500,285)***.

5.3.2 Ghana Armed Forces Command and Staff College (GAFSC)

GAFSC will continue to offer quality Command Staff training at both tactical and operational levels, together with higher academic studies up to Post Graduate level, to Officers of the GAF, sister Security Services and Public Servants. An amount of **One Million, Eight Hundred and Eighty Five Thousand (GH¢1,885,000)** is made available.

5.3.3 Kofi Annan International Peacekeeping Training Centre (KAIPTC)

Kofi Annan International Peacekeeping Training Centre (KAIPTC) will contribute to the development of Regional and Sub-Regional capacity in the delivery of integrated peace support operations and enhance sub/regional capacity for conflict management, **One Hundred and Two Thousand, Five Hundred Ghana Cedis (GH¢102,500)** is allocated.

6.0 ESTIMATES FOR FISCAL YEAR 2018

To meet the Programmes mentioned above, the Ministry of Defence has been granted a total sum of **One Billion, Five Million, Six Hundred and Thirteen Thousand and Twenty Nine Ghana Ghana Cedis (GH¢1,005,613,029)** for the 2018 financial year. The amount is made up of **Nine Hundred and Ninety Million, Five Hundred and Ninety Eight Thousand, Seven Hundred and Twelve Ghana Cedis (GH¢990,598,712)** - GoG, **Fifteen Million, Fourteen Thousand, Three Hundred and Seventeen Ghana Cedis (GH¢15,014,317)** - IGF, with no Development Partner Funds.

The Budgetary allocation was made to the three (3) main Programmes and fifteen (15) sub-programmes is shown in the table below:

Table 3 TOTAL BUDGET ALLOCATION OF FUNDS FOR THE PROGRAMMES OF THE MINISTRY OF DEFENCE

| PROGRAMMES | GoG | IGF | DONORS | TOTAL |
|-----------------------------|-------------|------------|--------|-------------|
| MANAGEMENT & ADMINISTRATION | 16,802,784 | 0 | 0 | 16,802,784 |
| GHANA ARMED FORCES | 971,308,143 | 15,014,317 | 0 | 986,322,460 |

| | | | | |
|--------------------------------|--------------------|-------------------|----------|----------------------|
| ARMED FORCES CAPACITY BUILDING | 2,487,785 | 0 | 0 | 2,487,785 |
| Total | 990,598,712 | 15,014,317 | 0 | 1,005,613,029 |

Table.4 BUDGETARY ALLOCATION TO PROGRAMMES & SUB PROGRAMMES

| PROGRAMME/ SUB-PROGRAMME | GOG (GH¢) | IGF (GH¢) | DONORS (GH¢) | TOTALS (GH¢) |
|---|--------------------|-------------------|-----------------|----------------------|
| MANAGEMENT & ADMIN | 16,802,784 | - | - | 16,802,784 |
| GENERAL ADMINISTRATION | 1,379,649 | | | 1,379,649 |
| FINANCE | 13,177,737 | | | 13,177,737 |
| HUMAN RESOURCES | 389,503 | | | 389,503 |
| PPME | 335,441 | | | 335,441 |
| DEFENCE COOPERATION, RESEARCH & INFO MANAGEMENT | 110,863 | | | 110,863 |
| VETERANS AFFAIRS | 1,409,591 | | | 1,409,591 |
| GHANA ARMED FORCES | 971,308,143 | 15,014,317 | | 986,322,460 |
| GENERAL HEADQUARTERS | 927,088,354 | | | 927,088,354 |
| LAND OPERATIONS | 3,907,958 | | | 3,907,958 |
| NAVAL OPERATIONS | 4,443,060 | | | 4,443,060 |
| AIR OPERATIONS | 5,636,040 | | | 5,636,040 |
| MIL. HEALTH SERVICE | 3,500,000 | 15,014,317 | | 18,514,317 |
| DEFENCE ADVISORS | 26,732,731 | | | 26,732,731 |
| ARMED FORCES CAPACITY BUILDING | 2,487,785 | - | - | 2,487,785 |
| MATS | 500,000 | | | 500,000 |
| GAFCSO | 1,885,000 | | | 1,885,000 |
| KAIPTC | 102,500 | | | 102,500 |
| TOTAL | 990,598,712 | 15,014,317 | | 1,005,613,029 |

7.0 OBSERVATIONS AND RECOMMENDATIONS

7.1 OUTSTANDING COMMITMENTS

The Committee noted that the outstanding commitments which dates as far back as December, 2016 have still not been settled. The outstanding bills totalling *Two Hundred and thirteen Million, Eight Hundred and Three Thousand, Three Hundred and seventy Three Ghana Cedis, forty pesewas (GH¢213,803,373.40), Four million, eight hundred and eight thousand, eight hundred and sixty four US dollars, sixty two cents, (\$4,808,864.62), One Million, Ninety eight thousand five hundred and eighteen euros, eighty eight cents (€1,098,518.88) and One hundred and forty five thousand, thirty eight pounds, ninety pence (£145,038.90)* are debt owed to Service providers for feeding, fuel and other costs taken on credit as per the table below.

Table.5 OUTSTANDING COMMITMENTS AS AT - DECEMBER 2016

| SRL | DETAILS | GH | \$ | € | £ |
|-----|-------------------------------------|-----------------------|---------------------|---------------------|-------------------|
| 1 | FEEDING COST | 43,514,902.81 | | | |
| 2 | FUEL | 38,327,868.84 | | | |
| 3 | AVIATION FUEL | 14,777,892.28 | | | |
| 4 | AIRCRAFT SPARES | | 1,748,603.60 | 743,518.88 | |
| 5 | RENT ACCOMMODATION | 1,667,996.40 | | | |
| 6 | CLOTHING AND GENERAL STORES | 1,963,706.75 | 1,225,550.00 | | 145,038.90 |
| 7 | MOVEMENT SERVICES | 19,408.00 | | | |
| 8 | GHQ TRAINING | 1,203,430.07 | 1,834,711.02 | | |
| 9 | GAF MEDICAL SERVICES | 13,483,297.14 | | | |
| 10 | DEME (SPARES) | 1,123,147.66 | | | |
| 11 | UTILITIES ELECTRICITY | 68,447,838.75 | | | |
| 12 | PARACHUTE STRAP | | | 355,000.00 | |
| 13 | DES HOUSING PROJECTS | 989,355.24 | | | |
| 14 | SSNIT HOUSING PROJECTS | 23,163,868.30 | | | |
| 15 | BES/LUTONE (ELECTRICAL PROJECTS) | 5,119,661.25 | | | |
| | TOTAL | 213,803,373.49 | 4,808,864.62 | 1,098,518.88 | 145,038.90 |

The Ministry intends to continuously train the forces, ensure that medical care is accessible to them, procure clothing and protective gear, as well as essential stores, including ammunition. In ensuring the welfare of personnel,

the Ministry needs adequate budget for feeding, medical insurances and the completion of ongoing housing projects.

The Committee therefore recommends that the Ministry of Finance takes over the payment of these outstanding liabilities so that the Ministry will ensure the effective deployment of all the necessary equipment needed to protect the territorial integrity of the country as well as the running and maintenance costs of existing equipment.

7.2 FOOD AND FUEL BILLS

The Committee observed that the Ministry is confronted with serious budget implementation challenges with respect to food and fuel bills. These affect emergency preparedness of the GAF to continue to provide food for men and also provide fuel for security purposes. To resolve these challenges, the Committee recommends two options as follows:

Option One:

Set aside a separate vote for the Food and Fuel Bills apart from the Goods and Services vote of the Ministry's Budget. The food and fuel bills should be treated as national in character.

Option Two:

Increase the Ministry's Goods and Services vote to align with its realistic food and fuel budget requirement.

7.3 MILITARY HEALTHCARE

The Ministry is to ensure that both Military and the Civilian clients are provided with quality healthcare. To this end, the Ministry intends to commence the expansion of the 37 Military Hospital and also commence the construction of the Tamale Military Hospital for the Northern Command. The Ministry will further refurbish some of its broke down hospital equipment including the MRI machine.

Hence, the Committee finds the sum of ***Eight Million Three Hundred and Nine Thousand, Seven Hundred and Two Ghana Cedis Seventy Eight***

Pesewas (GH¢8,309,702.78) that has been allocated the Military Hospital as woefully inadequate. This will negatively affect the effective operations of the 37 Military Hospital during normal or national emergencies and therefore the Committee recommends that the Ministry of Finance reviews this amount to 37 Military hospital to enable the Hospital provide effective and efficient healthcare to both the Military and Civilians clients.

8.0 CONCLUSION

The Committee has critically examined the Draft Budget Estimates of the Ministry of Defence for the 2018 financial year and considers the allocation under the various expenditure items fully justified in the light of the stated objectives of the Ministry albeit inadequate.

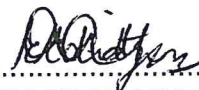
The Committee entreats the House to urge the Government to take immediate steps to address the huge shortfalls especially in the Goods and Services allocation.

In conclusion, the Committee recommends that this House approves the sum of **One Billion and Five Million, Six Hundred and Thirteen Thousand and Twenty Nine Ghana Ghana Cedis (GH¢1,005,613,029)** for the services of the Ministry of Defence for the financial year ending 31st December, 2018.

Respectfully submitted.



.....
HON. SETH K. ACHEAMPONG
CHAIRMAN
COMMITTEE ON DEFENCE &
INTERIOR



.....
EDITH EDILYN ADJEI
CLERK
COMMITTEE ON DEFENCE &
AND INTERIOR

