

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

**REPORT OF THE
COMMITTEE ON COMMUNICATIONS**

ON THE

**2019 ANNUAL BUDGET ESTIMATES OF THE
MINISTRY OF COMMUNICATIONS**

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2019 ANNUAL BUDGET ESTIMATES OF THE
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1.0 INTRODUCTION

In accordance with article 179 of the 1992 Constitution, the Hon. Minister for Finance, Mr Ken Ofori-Atta, presented the Budget Statement and Economic Policy of the Government for the 2019 Financial Year to Parliament on Thursday, 15th November 2018. Pursuant to Order 140(4) and 182 of the Standing Orders of the House, the Rt. Hon. Speaker referred the Annual Budget Estimates of the Ministry of Communications to the Committee on Communications for consideration and report.

Subsequently, the Committee met with the Hon. Minister for Communications, Mrs Ursula Owusu-Ekuful and her team on Friday, 14th December, 2018 and considered the referral. Also present at the meeting to offer clarifications were Officials from the Ministry of Finance.

The Committee is grateful to the Hon. Minister and her team and officials from the Ministry of Finance for their cooperation.

2.0 REFERENCE DOCUMENTS

The Committee availed itself of the following documents during its deliberations:

- i. The 1992 Constitution of the Republic of Ghana.
- ii. The Standing Orders of Parliament.
- iii. The 2018 Annual Budget Estimates of the Ministry of Communications.
- iv. The Budget Statement and Economic Policy of the Government of Ghana for the 2018 Financial Year.

- v. The Budget Statement and Economic Policy of the Government of Ghana for the 2019 Financial Year.

3.0 MISSION STATEMENT

The Ministry exists to facilitate the development of a reliable and cost-effective world-class communications infrastructure and services, driven by appropriate technological innovations and accessible by all citizens to enhance the promotion of economic competitiveness in a knowledge-based environment.

4.0 POLICY OBJECTIVES

The policy objectives of the Ministry are to:

- i. Improve ICT infrastructure in rural areas.
- ii. Promote electronic transactions for public and private businesses.
- iii. Provide access to electronic public information and services.
- iv. Mitigate the impacts of climate variability and change.
- v. Ensure adequate digital capability to support production and use of ICTs for development.

5.0 IMPLEMENTING DEPARTMENTS AND AGENCIES

The Agencies and Institutions responsible for the execution of the policies and programmes of the Ministry are stated below:

1. Ghana Meteorological Agency (GMet).
2. Data Protection Commission (DPC).
3. Ghana-India Kofi Annan Centre of Excellence in ICT (GI-KACE) .

4. National Information Technology Agency (NITA).
5. Postal and Courier Services Regulatory Commission (PCSRC).
6. Ghana Investment Fund for Electronic Communication (GIFEC).
7. National Communications Authority (NCA).
8. Ghana Post Company Limited (GPCL).

6.0 PERFORMANCE FOR YEAR 2018

6.1 The Ministry of Communications was allocated a total amount of **One Hundred and Seventy-Six Million, Four Hundred and Thirty-five Thousand, Five Hundred and Eleven Cedis (GH¢176,435,511.00)** for the implementation of its programmes and activities for the 2018 financial year.

Table 1 below shows a summary of expenditure by Economic Classification as at November 2018:

Table 1: Releases of approved budget as at November 2018

Item	2018 Budget (GH¢)	Actual as at November 2018 (GH¢)	Variance as at November 2018 (GH¢)	Actual as % of Budget
Compensation	27,907,795.00	10,672,164.77	17,235,630.23	38%
Goods and Service	21,186,821.00	6,858,885.30	14,327,935.70	32%
Capex	127,340,895.00	57,198,241.17	70,142,653.83	45%
Total	176,435,511.00	74,729,291.24	101,706,219.76	42%

Source: Ministry's Presentation on Year 2018 Performance

6.2 The Committee noted that as at November 2018, an amount of GH¢79,593,696.37 representing 42% of the total budgetary allocation of GH¢176,435,511.00 to the Ministry had been released. In explaining the low releases for Compensation, the Ministry indicated that various agencies had budgeted to recruit. Unfortunately, the Ministry received financial clearance to recruit late and is therefore yet to finalise the

recruitment process. The Committee further explained that for year 2018, an IGF figure of GHC17,702,021.00 was projected based on the expectation that Ghana Meteorological Agency would be able to raise substantial revenue from Ghana Civil Aviation and Airport Company. Unfortunately, this expectation was not met, hence the gap. The Ministry attributed the variance for CAPEX to the non-release of GoG component meant for CAPEX and delays with procurement processes.

6.3 The Ministry, in spite of the financial challenges it encountered, chalked some successes, some of which are enumerated below:

- i. The telecommunications sector over the years has experienced exponential growth due to the favorable enabling environment that has attracted investment in infrastructure development. The total telephone subscription for both mobile and fixed lines as at July, 2018 stood at 40,329,662 representing a penetration rate of 136.68% as compared to 131.91% in September, 2017. Mobile data subscription as of September 2018 stood at 23,534,581 representing 80.33%.
- ii. Government is on course with the implementation of the road map to migrate the country from analogue to digital television transmission. The Ministry has completed the provision of dedicated power to thirty-seven (37) DTT transmission sites in eight (8) regions namely; Eastern, Central, Western, Volta, Northern, Brong Ahafo, Upper East and Upper West to ensure the availability of digital broadcasting signals to the people. The Ministry also conducted an audit of the DTT infrastructure and recommended an expansion of the infrastructure to include disaster recovery sites and increase of the television channels from forty (40) Standard Definition Channels to one hundred (100) of which ten (10) will be High Definition Channels. The Ministry engaged key stakeholders in the broadcasting industry to revise the draft DTT policy.
- iii. The Ministry through GIFEC in 2018 established 400 telephony sites to provide voice signals in underserved and unserved communities to bridge the digital divide.

- iv. To build confidence and protect the use of electronic communications for development, the Ministry is implementing the national cyber security policy and strategy. In line with this, Parliament has ratified the African union convention on cyber security and personal data protection (Malabo Convention). The Ministry is facilitating the process to accede to the Budapest convention which seeks to enhance international corporation in the investigation and prosecution of cybercrimes. The Ministry also partnered the Global cyber security capacity Centre of the university of Oxford to conduct cyber security capacity maturity assessment for Ghana. This was to enable Government gain better understanding of Ghana's cyber security capacity with the aim to prioritise investment strategically in cyber security capacities.

7.0 BUDGETARY ALLOCATION FOR YEAR 2019

An amount of **One Hundred and Forty-nine million, Five Hundred and Sixty-three Thousand, One Hundred and Sixteen Cedis (GH¢149,563,116.00)** has been allocated for the programmes and activities of the Ministry of Communications for the 2019 financial year. This comprises an amount of GH¢31,457,512.00 as GoG, GH¢104,878,030.00 as Donor funds and GH¢13,227,574.00 as IGF.

The Committee noted that the IGF figure of GH¢13,227,574.00 includes an amount of GH¢2,294,508.48 earmarked as IGF for the National Identification Authority (NIA). It is significant to note that the NIA is no longer an Agency under the Ministry of Communications but currently falls under the Office of Government Machinery. The IGF allocation to NIA, when taken out of the Ministry's IGF allocation of GH¢13,227,574.00, brings the Ministry's actual IGF figure to GH¢10,933,065.398

Following this development, the Ministry of Communication's total budgetary allocation would come to **One Hundred and Forty-seven million, Two Hundred and Sixty-eight Thousand, Six Hundred and Seven cedis, Thirty-Eight pesewas (GH¢147,268,607.38)**. The breakdown of the 2019 allocation is provided in Table 2.

Table 2: 2019 Budgetary Allocation by Source of Funding and Economic Classification

Item	GoG (GH¢)	IGF(GH¢)	ABFA (GH¢)	DP (GH¢)	TOTAL (GH¢)
Compensation	23,201,176.00	800,000.00	-	-	24,001,176.00
Goods and Service	1,986,336.00	5,855,150.60	0		7,841,486.00
Capex	6,270,000.00	4,277,914.78	0	104,878,030.00	115,425,944.78
Total	31,457,512	13,227,574		104,878,030.00	147,268,607.38

7.1 The Ministry's budgetary allocation has been reduced from GH¢176,435,511.00 in year 2018 to GH¢147,268,607.38 in year 2019. The Committee noted that contributions from Development partners constitute the bulk of the allocation to the Ministry, thus in the event that Donor funds are not received, the Ministry will find it extremely difficult to realise its objectives.

8.0 OUTLOOK FOR 2019

The Ministry in year 2019 will apply its resources to undertake various programmes and activities some of which are enumerated below:

i. The Ghana meteorological Agency will aggressively pursue the achievement of Quality Management System (QMS) certification for international air navigation. The implementation of the QMS at Kotoka, Kumasi and Tamale airports will attract many Airlines into the country and position Ghana as a Regional Aviation Hub.

ii. Following the launch of the type approval laboratory, the Ministry through the National Communications Authority will collaborate with the Ghana Standards Authority and other relevant Government Agencies to facilitate the accreditation of the Laboratory. This will enable the laboratory qualify as a regional or sub-regional centre of excellence for ICT testing.

iii. In 2019, the ministry will continue the girls in ICT program to build ICT capacity for basic schools. The celebration will take place in the central region and will target about six hundred (600) girls in the region. The training will focus on providing basic coding skills to the beneficiary girls to encourage them develop interest in pursuing ICT careers. In doing this, the Ministry will collaborate with GI-KACE to develop and implement a capacity building model whilst GIFEC provides ICT laboratories to the beneficiary institutions to help sustain the initiative. GIFEC will also continue its “coding for kids project and will train Twenty-Four thousand (24,000) kids.

iv. The Ministry will pursue the DTT expansion project in 2019, to ensure the first phase of the DTT network platform currently operating becomes resilient, robust and future proof, with current technology. The expansion will also provide adequate redundancy, backup systems to facilitate the provision of uninterrupted digital services and other interactive and value-added services via the platform. This is critical as the DTT Platform will be the sole medium for the transmission of all TV services across the country and any interruption without the required backup will result in a total blackout until service is restored.

v. The Ministry of Communications (GoG) through NITA intends to deploy a highly secure, scalable e-Government network connectivity (GovNet) to provide extensive network coverage across various MDAs and MMDAs. The project is to connect various government offices, senior high schools, post offices, regional/district/municipal offices, hospitals/clinics and other government department and agencies such as Ghana Revenue Authority (GRA), Ghana Audit service and GIFMIS to sites allotted to 254 local districts Points-of-Presence (POP) in 10 regions.

9.0 OBSERVATIONS AND RECOMMENDATIONS

9.1 The Postal and Courier Services Regulatory Commission

An amount of GH¢1,500,777.87 has been provided for the implementation of the programmes of the Postal and Courier Services Regulatory Commission (PCSRC) for year 2019. This comprises GH¢716,112.00 as Compensation, GH¢158,367.00 as Goods and Services and GH¢321,670.00 as Capital Expenditure. The Commission has also been provided an amount of GH¢304,628.87 as IGF.

The Commission currently has a staff strength of 7 as against the established post of 22. Two (2) of the 7 staff are on secondment from the Controller and Accountant General's Department. The Commission informed the Committee that it has received approval to recruit 4 additional staff to bring the total number of staff to 11. The Commission in 2019 has budgeted to recruit additional six (6) persons to augment its staff strength to enable the Commission deliver on its mandate of licensing and regulating the postal sector.

The Committee was informed that there are quite a number of postal and courier service providers operating illegally, thereby taking business away from licensed service providers. The Committee in year 2018, took steps to weed them out by identifying and publishing their names in the Ghanaian Times and Daily Graphic newspapers. It is interesting to note that, following the exercise, 8 of them have been licensed to operate while thirty others have purchased licensing application forms.

To rid the market of these illegal operators and protect the interest of licensed operators, the Commission will in 2019 again publish a list of illegal operators and initiate steps to prosecute them. As part of its activities for 2019, the Commission will intensify public education to caution the public on the dangers of patronising unlicensed operators. It plans to license 20 more operators to provide postal and courier services and also thereby generate some income internally to support its activities.

It came to the attention of the Committee that the Commission does not have a permanent office accommodation and is currently accommodated in a rented premises which serves as a drain on its meagre resources. The Committee considers it prudent for the Commission to have its own

permanent accommodation to avoid paying high rent and therefore implores the Ministry of Communications to assist the Commission in that regard.

The Committee noted that following the successful Launch of the Ghana Post GPS, proposed Post Codes were approved for use by Ghana Post Company Limited. The Committee expressed the optimism that the Post Codes would change the manner in which Ghana Post operates as it leverages on technology and reduce the cost of doing business. It is expected that the Post Codes inject more efficiency into the delivery of mail services, including door to door delivery.

9.2 Ghana – India Kofi Annan Centre of Excellence ICT (GI – KACE)

A sum of GH¢4,983,949.20 has been provided for the GI-KACE to carry out its operations in year 2019. This is made up of GH¢2,720,587.00 as Compensation, GH¢183,432.00 as Goods and Services and GH¢437,342.00 as Capital Expenditure. The total allocation includes an IGF component of GH¢1,642,588.20.

It came to the attention of the Committee that GI-KACE renewed Technical Corporation with the Centre for Development of Advanced Computing (C-DAC) in India. Through this technical cooperation, GI-KACE received \$1 million grant to establish a modern software development and software quality assurance facility; embedded and VLSI systems facility; and cloud technologies research facility.

The Centre informed the Committee that the Ministry of Finance has given approval for the Centre to retain 66% of its IGF. This will be utilised to support the project with C-DAC to improve facilities and expand the Centre's operations in the middle and northern belts of Ghana, to enhance application of ICT in nation development. Funds would also be used on reopening of Jubilee ICT Centres in Sunyani and Bolgatanga to promote capacity development in ICT and research in e-governance.

The Centre brought to the attention of the Committee that it currently has no legal framework to support its activities. The Centre for instance, is unable to compete for projects because it lacks a legal framework to regulate its activities. The Committee learnt that work on a Bill to be laid

in Parliament is far advanced and is optimistic that the Centre will soon have the required legal backing to enable it operate as an autonomous institution.

9.3. National Information Technology Agency (NITA)

NITA has been provided a sum of GH¢7,287,294.13 for its programmes for year 2019. The Committee was informed that NITA currently spends about GH¢1.3 million, every quarter, renting a 2gig backbone fibre from a service provider. NITA and GLO mobile Ghana, have agreed to share their infrastructure in a non-financial swap deal. The Committee noted that the only cost associated with this arrangement is the one-time onboarding cost of the interconnectivity. It is gratifying to know that, through this arrangement, NITA will in addition to obtaining a 10gig backbone capacity needed to support government businesses in the regions and districts, save government the payment of huge recurrent cost. The Committee was happy to note that the Ministry of Finance has facilitated the payment of the one-time cost to enable NITA purchase equipment required for the interconnectivity.

NITA in 2019 will continue with its plans of migrating government websites to the Data Centre to reduce incidents of hacked government websites. In this regard, NITA will receive some assistance from the World Bank to upgrade the E-Government infrastructure. The upgrade the Committee noted, is important to protect NITA's Communication Networks and government systems online, against cybercrime. The upgrade when completed will help sanitise the environment as access to non-work related websites which often use up considerable capacity and reduce speed will be blocked. Consequently, traffic from the MDAs will be significantly improved.

NITA continues to be confronted with the challenge of non-payment of services provided to MDA's and MMDA's which deprives NITA of the needed revenue to purchase bandwidth to improve the quality of service. This situation, coupled with the inadequate GOG budgetary allocation made it difficult for the Agency to meet the incremental cost of network

consumables and the increased cost of the network management as network expands. The Committee urges the Ministry of Finance to make timely releases of Funds to enable NITA perform its functions effectively.

9.4 Data Protection Commission (DPC)

The Data Protection Commission (DPC) has been given an IGF of GH¢1,862,000.00 for its programmes for 2019. The Commission is charged with the responsibility of protecting the privacy of individual data, by regulating the processing of personal information. The Commission through its activities is expected to increase awareness of data protection and empower holders of personal data to assert their data protection right.

The DPC will train data practitioners and continue with its sensitization programmes on radio and T.V to create awareness of its programmes and increase the number of data responsive organisations. The Committee was happy to note that the Commission has developed a Data Protection Manual, the first of its kind in Africa and has piloted training using its Manual. The Commission has so far trained over Fifty (50) professionals.

9.5 Ghana Meteorological Agency (GMet)

GMet provides meteorological information, advice and warnings for the benefit of agriculture, civil and military aviation, surface and marine transport, operational hydrology and management of energy and water resources to help mitigate the effects of natural disasters such as floods, storms and droughts on the socio-economic development and projects. The Agency is expected to generate funds internally to support its activities through the provision of these services. However, GMet is currently confronted with the challenge of non-payment for services in respect of aeronautical data provided to the aviation industry. The Ministry informed the Committee that through negotiations with the Aviation Minister, an agreement was reached for the Ghana Civil Aviation Authority (GCAA) to pay GMet 6million of monies owed. So far, the GCAA has paid only 2.8million leaving a balance of 3.2 million to pay.

GMet has identified the need to provide services to other sectors of the economy such as the offshore oilfields, fisheries and the marine industry. However, the Ghana Meteorological Agency Act, 2004, (Act 682) would have to be amended to mandate the Agency to provide such services. Processes have already begun to have the act amended.

GMet will pursue the achievement of Quality Management System (QMS) certification for international air navigation. It also plans to install Automatic Weather Observing System (AWOS) at Kumasi and Tamale airport to comply with ICAO and WMO standards and protocols to an international status. This is needed to enable GMet gather and disseminate weather information critical to the aviation industry to avoid disasters.

The Agency will also offer training programmes to enhance the skills and competences of its staff as recommended by World Meteorological Organisation (WMO). The Committee was informed that it costs a lot of money to train staff of the Agency. However, due to poor conditions of service, the Agency often loses its staff to other competitors. GMet currently has 379 staff out of an established post of 752.

10.0 CONCLUSION

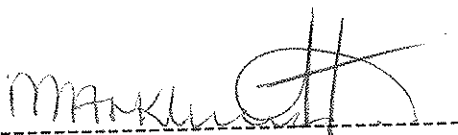
The Communication industry is considered the key driver for socio-economic development today. Undoubtedly, every society that wants to develop must take full advantage of ICT and digital communication technology to stimulate and catalyze all the sectors of the economy, including education, banking, and health.

In the light of this, there is the need to adequately resource and strategically position the Ministry to deliver effectively and efficiently on its mandate.

The Committee recommends that the House approves the sum of **One Hundred and Forty-seven Million, Two Hundred and Sixty-eight Thousand, Six Hundred and Seven Cedis, Thirty-Eight Pesewas (GH¢147,268,607.38)** for the implementation of the programmes and

activities of the Ministry of Communications for the year ending 31st
December, 2019.

Respectfully submitted.



KEN OHENE AGYAPONG (HON)
(CHAIRMAN, COMMITTEE ON
COMMUNICATIONS)

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JANET FRIMPONG
(CLERK TO THE COMMITTEE)

DECEMBER 2019

