

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

REPORT

OF THE

COMMITTEE ON FOREIGN AFFAIRS

ON THE

**2014 ESTIMATES OF THE MINISTRY
OF FOREIGN AFFAIRS & REGIONAL
INTEGRATION**

1.0 Introduction

In accordance with Article 179 of the Constitution and Order 140(1) of the Standing Orders of the House, the Minister of Finance and Economic Planning, Hon. Seth Terkper presented to Parliament the 2014 Budget and Economic Policy Statement of the Government of Ghana on Tuesday, 19th November 2013.

Pursuant to Order 140(4) of the Standing Orders and Article 103(3) of the Constitution, the Estimates of the Ministry of Foreign Affairs were referred to the Committee for consideration and report.

The Committee met on Wednesday, 4th December 2013 to consider the Estimates and hereby reports as follows:

1.1 Reference

The Committee made reference to the following documents:

- (i) The 2013 Budget Statement and Economic Policy of the Government of Ghana
- (ii) The 2013 Estimates of the Ministry of Foreign Affairs & Regional Integration
- (iii) The 2014 Budget Statement and Economic Policy of the Government
- (iv) The Constitution of the Republic of Ghana
- (v) The Standing Orders of the House

1.2 Mission of the Ministry

The Ministry of Foreign Affairs and Regional Integration exists to advise the government on the formulation of the Foreign Policy of Ghana and implements its objectives in the most efficient and cost-effective manner.

In pursuance of this Mission, the Ministry has set for itself a vision to establish “a well-resourced Foreign Ministry capable of establishing, developing and sustaining international goodwill, solidarity and support for national development”.

1.3 Agencies under the Ministry

The Ministry relies on the under-listed Agencies in the pursuit of its mission

- The Headquarters
- Ghana Diplomatic Missions abroad
- Three subvented organisations:
 - Legon Centre for International Affairs and Diplomacy (LECIAD)
 - National African Peer Review Mechanism-Governing Council (NAPRM-GC)
 - All Africa Students’ Union (AASU)

Pursuant to the mandate of the Ministry, these agencies have the responsibility of handling specific operational functions including formulating and executing

Ghana's foreign policy; in order to achieve the country's foreign policy objectives; organizing intensive monitoring of activities, undertaking sensitization and dissemination exercises on the African Peer Review Mechanism; training Foreign Service Officers and other public servants in international affairs and diplomacy; and fostering co-operation among African Students and educational institutions.

2.0 Overview of the Performance of the Ministry in 2013

The Ministry was allocated a total sum of One Hundred and Ten Million, Two Hundred and Twenty-nine Thousand and Forty-nine Ghana Cedis (GH¢110,229,049.00) for the effective performance of its mandate for the 2013 financial year.

With this allocation, the Ministry was able to make significant achievements, albeit with some difficulties.

2.1 2013 Achievements

2.1.1 Completion of Office Building

The Ministry completed its Head Office complex in April 2013 and took occupancy of it later in that month.

2.1.2 Opening of Mission

The Ministry finalized all arrangements for the opening of its Vatican Mission which was on schedule to be operationalised.

2.1.3 Renovation

The Ministry made significant progress in processing part payment of the cost of renovating the Chancery of the New York Mission.

2.1.4 Good Neighbourliness

Cognisant of the need for the concerted efforts of all countries in the West African sub-region to address common challenges to development in the sub-region including the growing menace of terrorism, trafficking in small arms and weapons, drugs and children across national frontiers, the Ministry continued to make the pursuit of peace and security in West Africa a high priority in the conduct of Ghana's foreign policy.

In this regard, the Committee was informed that the Ministry, in the spirit of good neighbourliness, ensured the promotion of trust between H.E. the

President of the country and his counterparts in the sub-region to facilitate the search for solutions to the common challenges of the sub-region.

2.1.5 Regional Integration

In much the same vein, the Ministry coordinated the participation of Ghana's delegation in the meeting to review the ECOWAS Protocol on Free Movement of Persons and Goods which was held in Abuja, Nigeria in March 2013. This was to give practical meaning to Government's declaration of making regional integration the flagship of its foreign policy.

The Ministry also facilitated Ghana's participation in the deliberations of the 19th Ordinary Session of the Assembly of Heads of State and Government which was held in Addis Ababa, Ethiopia, in May 2013 where the President delivered a keynote address in support of the African Union.

2.1.6 Developing and Sustaining International Goodwill and Solidarity

In keeping with its objective of developing and sustaining international goodwill, solidarity and support for national development, the Ministry maintained a reasonably high diplomatic presence which yielded significant gains for the country in respect of foreign direct investment, international solidarity and a sustained positive image. The high points of this initiative included the exchange

of high profile visits between Ghana, Iran and Canada, among others, which exchanges culminated in the conclusion of bilateral arrangements that brought great gains to Ghana.

2.1.7 Joint Commissions for Cooperation

The Committee was informed that the Ministry was successful in coordinating the establishment of a Joint Commission with Guinea as a means of promoting bilateral cooperation and regional integration.

2.1.8 Economic Diplomacy

The Ministry intensified its collaboration with the other MDAs to promote the realization of the national objective of diversifying and expanding the export base of the country by further seeking foreign markets for Ghanaian products and also working to ensure that Ghana benefitted from preferential access to markets and other arrangements which were the direct benefits of bilateral and multilateral trade agreements.

The Ministry again supported the diversification and expansion of the tourism industry for job creation and revenue generation by marketing Ghana abroad as a competitive tourist destination. This was done to also attract foreign direct investment into the hospitality industry.

2.1.9 Multilateral Diplomacy

In much the same way, the Ministry coordinated Ghana's participation in the deliberations of a number of international organizations including the United Nations, the Commonwealth and the Non-Aligned Movement on which Ghana is represented and coordinated the country's contribution in the global quest for solutions to the challenges that confront international peace, stability and development at the sub-regional, continental and global levels.

In this light, the Ministry coordinated the participation of H.E. the President in the 68th Session of the UN Conference in September 2013.

2.1.10 Welfare of Ghanaian Citizens Abroad

The Committee was informed that the Ministry endeavoured to intensify its efforts in providing consular assistance to Ghanaians abroad and ensured that they lived in safety, freedom and in dignity.

This, the Ministry did in giving practical meaning to Government's recognition of the significant contribution which Ghanaians living abroad make to the development process of the country.

2.2.0 CHALLENGES

The afore-mentioned successes though resounding, the Ministry had its fair share of challenges which prevented it from making greater impact. Some of these are discussed below.

2.2.1 Insufficient Budgetary Allocation

The Committee noted that the inability of the Ministry to fully realize all its set objectives for the year under consideration was mainly for reason of insufficient budgetary allocation. While the total budgetary requirement of the Ministry for the year was reduced by 36.41% from the required **One Hundred and Seventy-nine Million, Six Hundred and Twenty-two Thousand, Four Hundred and Thirty-seven Ghana Cedis, Thirty-nine Pesewas (GH¢179,622,437.39)** to the GOG ceiling of **One Hundred and Ten Million, Two Hundred and Twenty-nine Thousand, Forty-nine Ghana Cedis (GH¢110,229,049.00)**, a look at the actual releases from January to September 2013 revealed that a total amount of **Thirty-three Million, One Hundred and Ninety-nine Thousand, One Hundred and Forty-five Ghana Cedis (GH¢33,199,145.00)** had not been released.

This amount represents over 30% reduction from the Ministry's 2013 approved budgetary levels.

The Committee noted that even though the year in question had not ended, it was unlikely that the entire allocation would be released given the difficulties in getting releases in the last quarter of the year which situation tended to compound, further, the problem of insufficient budgetary allocation. Besides, the Internally Generated Funds (IGFs) that could support the Ministry in the discharge of its mandate to the benefit of the entire country turns out not to be reliable. While the percentage retention allocated to the Ministry is a paltry 25% of total collections, the little that is to be used by the Ministry eventually gets paid into the Consolidated Fund before applications can be made for them in a manner similar to applications for general releases to Ministries, Departments and Agencies (MDAs) with their attendant difficulties.

Table 1 is a representation of the Ministry's total budgetary allocation and releases for the 2013 Financial Year.

ITEM	TOTAL APPROVED ESTIMATES		CUMULATIVE BUDGET	CUMULATIVE RELEASES	BALANCE
	GOG	IGF			
Compensation of Employees	73,625,903.00	-	73,625,903.00	63,424,050.00	10,201,853.00
Goods & Services	12,915,649.00	8,486,593.00	21,402,242.00	13,249,363.00	8,152,879.00
Assets (Capital)	9,104,337.00	6,096,567.00	15,200,904.00	356,491.00	14,844,413.00
TOTAL	95,645,889.00	14,583,160.00	110,229,049.00	77,029,904.00	33,199,145.00

Table 1

2.2.2 Delays in Release of Funds

Also, delays in the release of funds to the Ministry equally affect its functioning in a number of ways. The Committee noted that such delays in releases often affected the very image of the country negatively as such delays invariably result in delayed settlement of rents and related charges to local property owners and

utility charges to local councils. In some cases, such delays in releases had led to court cases and the payment of fines by Missions of the Ministry in the past.

2.2.3 Passport Processing

The Ministry was unable to undertake its scheduled expansion programme to implement the processing of Biometric Passports at the Ghana Missions abroad due to the non-availability of funding. This, the Committee noted, would amount to significant pressure on the future activities and other programmes of the Ministry as more resources would be needed to complete the process given that the 2015 deadline for the eventual switch off to the machine readable Biometric Passport regime was fast approaching.

3.0 OUTLOOK FOR 2014

In 2014, cognisant of its mission to assist in the formulation and implementation of Ghana's Foreign Policy in the most efficient and cost-effective way the Ministry intends to continue to assist government to deepen relations with our immediate neighbours, expand the frontiers of existing markets for Ghana's exports, attract investment into the various sectors of the economy and enhance consular protection and assistance to Ghanaians who are domiciled abroad.

Specifically, the Ministry intends to:

- (a) Promote and sustain political and economic interests abroad while promoting favourable perceptions about Ghana among principal political and economic actors.
- (b) Promote the diversification and increase in the volume of exports through the promotion of Ghanaian products on foreign markets.
- (c) Assist in making ECOWAS more effective by coordinating participation in meetings of the sub-regional body and providing reports on those meetings while promoting the implementation of its Protocols.
- (d) Ensuring the articulation of Ghana's position at all levels of international politico-socio-economic discourse for the promotion of international peace, security and sustainable development.
- (e) Pursue the safety and welfare of all Ghanaian citizens abroad at all times whilst mobilizing them to assist in national development.
- (f) Set up biometric passport processing centres in selected Ghana Missions abroad and further establish on-line application systems for biometric passports and visas.

- (g) Develop the Ministry's human resource capacity through recruitment and training for efficient delivery
- (h) Prioritise and complete on-going projects of refurbishing and equipping Ghana Missions abroad.
- (i) Establish a website for the Ministry
- (j) Implement Annual Audit and Procurement plans as well as reports of the Auditor-General.

3.1 2014 PROGRAMMES TO BE PURSUED BY THE MINISTRY

In conformity with the tenets of the Programme Based Budgeting which is consistent with the Public Financial Management Reform Agenda and which underpinned the presentation of the 2014 Budget, the list of the Ministry's intended activities are encapsulated in three main programmes with identifiable indicators to measure performance.

The programmes are Management and Administration, International Cooperation and Passport Administration. To effectively ensure a result-oriented budget management, the said three programmes have been divided into sub-programmes each under the direct control and supervision of the various cost centres of the Ministry.

Table 2 below gives a clearer representation of the Ministry's Programmes, Sub-Programmes and the Units responsible for their implementation.

PROGRAMME	SUB-PROGRAMME	UNIT RESPONSIBLE
P.1 MANAGEMENT AND ADMINISTRATION	Sp.1.1 Human Resource and Administration	HUMAN RESOURCE AND ADMINISTRATION
	SP. 1.2 Finance	FINANCE AND ACCOUNTS, LECIAD, FOREIGN TRAVELS AND INTERNATIONAL CONFERENCES, SUBVENTED ORGANISATIONS, AASU, NAPRM-GC
	SP. 1.3 Estate and General Services	ESTATE AND GENERAL SERVICES
	SP. 1.4 Internal Audit	INTERNAL AUDIT
	SP. 1.5 Legal and Consular Services	LEGAL AND CONSULAR UNIT
P.2 INTERNATIONAL COOPERATION	SP. 2.1 Regional Integration	AFRICA REGION
	SP. 2.2 Economic Diplomacy	MISSION ABROAD
	SP. 2.3 Bilateral and Multilateral Relations	MIDDLE EAST AND ASIA, EUROPE REGION, AMERICAS REGION
PASSPORT ADMINISTRATION	BP. 3.1 Passport Administration	PASSPORT OFFICE

Table 2

3.2 2014 Budget of the Ministry of Foreign Affairs and Regional Integration

For the implementation of its programmes and sub-programmes for the 2014 financial year, the Ministry of Foreign Affairs and Regional Integration has been allocated a total amount of **One Hundred and Fifty-three Million, Nine Hundred and Fifty-three Thousand and Twenty-nine Ghana Cedis (GH¢153,953,029.00)** made up of **One Hundred and Forty-one Million, Two Hundred and Seventeen Thousand, Five Hundred and Fifty-one Ghana Cedis (GH¢141,217,551.00)** from GOG sources and **Twelve Million, Seven Hundred and Thirty-five Thousand, Four Hundred and Seventy-eight Ghana Cedis (GH¢12,735,478.00)** from IGF sources.

This compares favourably with the **One Hundred and Ten Million, Two Hundred and Twenty-nine Thousand and Forty-nine Ghana Cedis (GH¢110,229,049.00)** which was allocated the Ministry for its activities in the 2013 Financial Year.

Table 3: BUDGETARY ALLOCATION TO THE MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTEGRATION FOR THE 2013 AND 2014 FINANCIAL YEARS.

ITEM	APPROVED BUDGET 2013			APPROVED BUDGET 2014		
	GOG	IGF	TOTAL	GOG	IGF	TOTAL
Compensation of Employees	73,625,903.00		73,625,903.00	101,503,694.00		101,503,694.00
Goods & Services	12,915,649.00	8,486,593.00	21,402,242.00	24,706,978.00	7,152,647.00	31,859,625.00
Capital & Services	9,104,337.00	6,096,567.00	15,200,904.00	15,006,879.00	5,582,831.00	20,589,710.00
TOTAL	95,645,889.00	14,583,160.00	110,229,049	141,217,551	12,735,478.00	153,953,029.00

Table 3

Table 4: 2014 ALLOCATIONS TO THE PROGRAMMES OF THE MINISTRY.

GOG	MANAGEMENT & ADMINISTRATION	INTERNAL COOPERATION	PASSPORT ADMINISTRATION	TOTAL
-Wages & Salaries	7,894,588	93,326,959	282,147	101,503,694
-Goods & Services	2,820,741	21,271,032	615,205	24,706,978
-Capex	7,910,152	-	7,096,727	15,006,879
Sub-Total	18,625,481	114,597,991	7,994,079	14,217,551
IGF				
-Goods & Services	-	7,152,647	-	7,152,647
-Capex	-	5,582,831	-	5,582,831
TOTAL	18,625,481	127,333,469	7,994,079	153,953,029

Table 4

4.0 OBSERVATIONS AND RECOMMENDATIONS

4.1 Insufficient Budgetary Allocation

The Committee observed a huge increase in the 2014 budgetary allocation to the Ministry as compared to that of the 2013. The **One Hundred and Fifty-three Million, Nine Hundred and Fifty-three Thousand and Twenty-nine Ghana Cedis (GH¢153,953,029.00)** allocated for the year in question represented about 40% increase on the 2013 allocation levels of **One Hundred and Ten Million, Two Hundred and Twenty-nine Thousand and Forty-nine Ghana Cedis (GH¢110,229,049.00)**.

Nonetheless, the said leap in allocation still falls short of the estimated amount of **One Hundred and Seventy-six Million, Seven Hundred and Forty-one Thousand, Nine Hundred and Twenty-four Ghana Cedis, Ninety-two Pesewas (GH¢176,741,924.92)** that the Ministry requested to be able to implement its programmes and sub-programmes outlined for the year in question. **Table 5** gives a clearer picture of the budgetary requirements of the Ministry for the year under consideration and the GOG ceiling for the various heads. Some programmes and sub-programmes of the Ministry will undoubtedly, be negatively affected as a result, the Committee observed.

**Table 5: MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTEGRATION:
2014 GOG APPROVED CEILINGS**

ITEM	BUDGET REQUIREMENT	APPROVED CEILINGS	SHORTFALL
Compensation of Employees	106,503,694.00	101,503,692.00	-
Goods & Services	42,640,532.00	24,706,978.00	(17,933,554.00)
Non-Financial Assets	27,597,698.92	15,006,878.00	(12,590,820.00)
TOTAL	176,741,924.92	141,217,549.00	(35,524,376.00)

4.1.1 Goods and Services

A cursory look at **Table 5** indicates that of the **Forty-two Million, Six Hundred and Forty Thousand, Five Hundred and Thirty-two Ghana Cedis (GH¢42,640,532.00)** sought for Goods and Services under the various programmes and sub-programmes, only a total amount of **Twenty-four Million, Seven Hundred and Six Thousand, Nine Hundred and Seventy-eight Ghana Cedis (GH¢24,706,978.00)** was allocated which represents a reduction of about 42% of the total requirement for Goods and Services.

During its consideration of the Ministry's Estimates, the Committee observed that rent due for payment at the various Missions alone amounted to **Twenty-five Million, Nineteen Thousand, Seven Hundred and Thirty-five Ghana Cedis, Sixty-six Pesewas (Gh25,019,735.66)** which is a Goods and Services expenditure under Programme 2 of the Ministry's Budget.

Besides, the subscriptions meant to be paid under the same Programme 2 for the year in question total **Five Million, Six Hundred and Ninety-three Thousand, One Hundred and Seven Ghana Cedis, Seventy-one Pesewas (GH¢5,693,107.61)**. The two activities alone cost the Ministry far more than the amount earmarked for the entire Goods and Services component of the three programmes of the Ministry.

A critical look at the sub-programmes indicated that there was no Goods and Services provision made for Economic Diplomacy and Bilateral and Multilateral Relations, two sub-programmes which require a lot of activity in terms of movement, meetings, and reports, among others for effective performance.

4.1.2 Capital Expenditure

The Committee further observed that the approved ceiling for the non-financial assets of the Ministry was **Fifteen Million, Six Thousand, Eight Hundred and Seventy-eight Ghana Cedis (GH¢15,006,878.00)** which represented

54% of the total requirement of **Twenty-seven Million, Five Hundred and Ninety-seven Thousand, Six Hundred and Ninety-eight Ghana Cedis, Ninety-two Pesewas (GH¢27,597,698.92)** for the 2014 Financial Year.

Again, the Committee noted that the said amount was not sufficient to meet the capital expenditure of the three programmes of the Ministry within the year. The Committee was informed that the Ministry had an outstanding liability of about **Three Million, Eight Hundred and Fifty-four Thousand, One Hundred and Eighty-four Ghana Cedis (GH¢3,854,184.00)** in respect of the refurbishment of the New York Chancery Building and the renovation of the Adu Lodge.

Besides, the total amount required for the Passport Administration Expansion projects alone amount to about **Fifteen Million, Five Hundred and Fifty-seven Thousand, Three Hundred and Forty-three Ghana Cedis, Forty-two Pesewas (GH¢15,557,343.42)** which is far more than the **Seven Million, Ninety-six Thousand, Seven Hundred and Twenty-seven Ghana Cedis (GH¢7,096,727.00)** earmarked for the non-financial assets expenditure under the Passport Administration Programme.

4.2 Internally Generated Funds (IGF)

The Committee observed that the Ministry had extensive capacity to generate substantial internal resources to augment the perennially low GOG allocations.

The Missions of the Ministry were noted to have the capacity to generate more IGFs through their consular services. Nevertheless, a significant proportion of the areas under their jurisdiction remain un-served or underserved at best. The reason for this is largely due to the lack of funds occasioned by not only inadequate budgetary allocations but also due to delayed remittances and, in most cases, the outright non-release of significant portions of the Goods and Services component of allocation to the Missions.

More so, in the particular case of Passport administration, there is an arrangement by which all receipts on applications get lodged directly into the Consolidated Fund which is under the control and supervision of the Ministry responsible for Finance and which is supposed to release the Ministry's portion for its continuous development. However, the Ministry responsible for Finance has a habit of failing to credit the Ministry with its 25% share of such receipts and this does not augur well for the retooling and equipping of its productive machinery for purposes of generating more and more IGF.

The Committee sees this development as a recipe for the total under performance of the income generation capacity of central government and therefore, the entrenchment of poverty.

As a remedial measure, the Committee recommends that a proper assessment be made of all the revenue generating machinery of Ministries, Departments and Agencies and the annual projected receipts indicated as part of their budgetary allocations which moneys should be lodged directly into their authorized accounts. This way, the Committee is convinced that total government expenditure on MDAs will be drastically reduced while MDAs in turn will have easy access to their moneys to be able to undertake useful activities that further enhance their revenue generation capacities and wean them, progressively, off central government funding.

In the particular case of improving the IGF capacity of the Ministry of Foreign Affairs and Regional Integration, the Committee recommends that, while the Ministry responsible for Finance explores the modalities for implementing the afore-mentioned recommendation without any set back, efforts should be made to release all the allocated funds for the year under consideration without the usual delays.

Subsequently, the Committee recommends that practical steps be urgently taken to increase the Ministry's IGF retention rate to 50% and further arrangements made for its timely release.

These would enable the Ministry expand its capacity to produce more passports on demand and also extend consular services to all un-served areas for the ultimate benefit of the Ghanaian citizenry.

4.3 Implementing the Initiatives of the Ministry

4.3.1 Establishment of the Diaspora Support Unit

The Committee observed with satisfaction the decision by the Ministry to transform the existing Diaspora Support desk into a full fledged Unit of the Ministry with the objective of proactively providing useful services to Ghanaian residents abroad. The Ministry, in extending the frontiers of economic diplomacy, recognizes the potential role of Ghanaian citizens abroad in sharing good pieces of information about Ghana with their foreign acquaintances to attract them to invest in Ghana and therefore intends to use this Unit to provide very important information and services to Ghanaian citizens abroad. The Committee welcomes the initiative noting its potential in attracting Ghanaians domiciled abroad to return to their roots to invest while enticing them to also recommend Ghana to their foreign friends and partners and thereby promoting foreign direct investment into Ghana.

4.3.2 Introduction of New Biometric Passports

In much the same vein, the Committee welcomed the Ministry's initiative of introducing new biometric passports within the year under consideration to

improve the security qualities of the Ghanaian Passport whilst enabling its universal acceptance at all airports in the world, especially, during the eventual global switch to the biometric passports regime. The Committee was particularly enthused about the plan to introduce the National Identification Number as a requirement for acquiring biometric Passports, a development which the Committee found to be positive as it would encourage Ghanaians to seek to register with the National Identification Authority (NIA) and by that prevent foreigners from acquiring Ghanaian Passports.

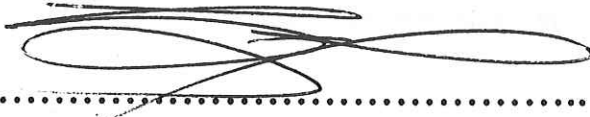
The Committee expressed the concern that the Ministry would be able to work with the NIA without any difficulty in order not to render Passport acquisition unnecessarily difficult and excessively time consuming.

The Committee, accordingly, recommends to the Ministry responsible for Finance to ensure the release of all the approved budgetary allocation to enable the Ministry successfully implement these noble initiatives which have the potential to bring the country both social and economic gains.

5.0 CONCLUSION

In the light of the foregoing, the Committee recommends that the House approves the sum of **One Hundred and Fifty-three Million, Nine Hundred and Fifty-three Thousand and Twenty-nine Ghana Cedis (GH¢153,953,029.00)** made up of **One Hundred and Forty-one Million,**

Two Hundred and Seventeen Thousand and Forty-nine Ghana Cedis (GH¢141,217,049.00) and Twelve Million, Seven Hundred and Thirty-five Thousand, Four Hundred and Seventy-eight Ghana Cedis (GH¢12,735,478.00) from GOG and IGF sources respectively to enable the Ministry of Foreign Affairs and Regional Integration implement its programmes and sub-programmes for the 2014 Financial Year.



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HON. EMMANUEL KWASI BANDUA
CHAIRMAN, COMMITTEE ON FOREIGN AFFAIRS



.....
RICHARD KWAME ACHEAMPONG
CLERK, COMMITTEE ON FOREIGN AFFAIRS