In The First Session Of The Fifth Parliament
Of The Fourth Republic Of Ghana

* *

Report

Of The 2010
Annual Budget Estimates
Of The

MINISTRY OF COMMUNICATIONS

(14/12/09)

1.0 INTRODUCTION

The Annual Estimates of the Ministry of Communications were referred to the Select Committee on Communications for consideration and report in accordance with Order 140 (4) and 182 of the Standing Orders of the House. This followed the presentation of the Budget Statement and Economic Policy of the Government for 2010 to the House by the Minister of Finance and Economic Planning, Dr. Kwabena Duffuor on Wednesday, 18th November, 2009 in accordance with Article 179 of the Constitution and Order 140 (1) of the Standing Orders of the House.

The Committee met on 10th December, 2009 to consider the referral.
The Minister of Communications, Hon. Haruna Iddrisu (MP) accompanied by officials of the Ministry and its Agencies attended the sitting. The sitting was also attended by an official of the Ministry of Finance and Economic Planning.

2.0 REFERENCE DOCUMENTS

i. The 1992 Constitution of the Republic of Ghana.

ii. The Standing Orders of the House.

iii. The Budget Statement and Economic Policy of the Government of Ghana for the 2010 Financial Year.

iv. Report of the Select Committee on Communications on the Annual Estimates of the Ministry of Communications for 2009.

3.0 MISSION STATEMENT AND OBJECTIVES OF THE MINISTRY

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

In pursuance of this mission statement, the MOC has the following objectives among others:

i. To promote the development of nationwide communications and technological infrastructural backbone and services.

ii. To support the creation of a broad-based communication and technological environment that maintains a balance between stakeholders.

iii. To facilitate the provision of quality meteorological data and forecast in support of weather sensitive sectors of the economy.

iv. To strengthen the institutional and human resource capacities for quality service delivery.

v. To review and develop policies that will enhance well functioning and self financed regulatory bodies in a competitive Information and Communications Technology (ICT) environment.

vi. To facilitate the application of computer systems to improve the quality and efficiency of Public Services.

vii. To develop and promote communications technology culture at all levels of the society.

4.0 AGENCIES UNDER MOC

The MOC has the following agencies for the implementation of its programmes and policies:

i. National Communications Authority (NCA).

ii. Ghana Post Company Ltd.

iii. Ghana Meteorological Agency (GMA)

iv. Ghana-India Kofi Annan Centre of Excellence in ICT (KACE)

v. Ghana Information and Communication Technology Directorate (GICTD)

vi. Postal and Courier Services Regulatory Commission (PCSRC)

vii. Ghana Investment Fund for Telecommunications (GIFTEL)

viii.   IT Enabled Services (ITES) Directorate

ix.   Ghana Multimedia Center (GMC)

These agencies are tasked to handle specific functional areas in line with the objectives of the Ministry.

5.0   PERFORMANCE IN 2009

In spite of the low budgetary allocation, the Ministry made significant achievements which include the following:

5.1   *Automation of Revenue Generation Agencies*

To improve efficiency and effectiveness of tax administration, the Ministry concluded the contract award process for the automation of the Revenue Agencies to ensure speed in tax assessment, transparency and citizens' friendly oriented public Service System for revenue generation.

5.2   *Telecom Penetration*

The Ministry achieved a total telecom penetration of 14,509,908 with 14,242,476 mobile and fixed line services of 267,432. There was an expansion of telephone facilities to the rural areas which increased access to telecommunication, enhanced employment generation and improved Quality of Service (QoS).

5.3   *Improving Weather Services*

The Ghana Meteorological Agency successfully carried out the trial testing of the Automatic Weather Station (AWS) sensors in order to improve weather forecasting reports and provide reliable climate data to support national development.

5.3   *Provision of Modern ICT Infrastructure for Growth*

The Government secured US$30m facility and a consultancy for the construction of a National Data Centre to efficiently deliver converged ICT services for the

objective of extending fibre optic infrastructure to all district capitals and provide broadband capacity to facilitate e-governance activities.

5.4 Universal Access

To support the extension of ICT infrastructure and services to underserved and unserved areas of the country, GIFEC assisted five (5) first and second cycle institutions with connectivity and ICT equipment. Six (6) new ones are being undertaken at Akwasiho, Ayomso, Agogo, Oppong Valley, Agona Amenfi and Ajaaka Manso. The intention is to bridge the digital divide between the urban and rural areas, improve private sector participation in the provision of ICT solutions and to establish common telecommunications facilities.

5.5 Development of ICT Park

The Ministry procured consultancy services for carrying out feasibility study, drawing business plan and strategy, and promoting activities for the purpose of constructing an ICT park with the view to generating 300 BPO companies to create job avenues.

5.6 Community Information Centres (CICs)

To monitor the construction of CICs in all the 230 constituencies, managers were recruited for 42 CICs and preparations have been made to inaugurate the National Oversight Committee for the management of the CICs. The intention is to increase citizens' participation in governance, increase research activities and access to information by communities.

5.7 Human Resource Development

The governing council for ITES Vocational Training Expert Group has been established and the BPO/ITES training curriculum has been streamlined to align with the skill requirement of the industry. The intended outcome is to provide skilled ICT personnel to take advantage of the abundant BPO opportunities in the country.

5.8 ICT Business Incubation and BPO Skills Development

With the collaboration of the Business school of KNUST, the GMIC delivered business development training to clients. Sixty(60) public sector personnel at the Microsoft Laboratory and thirty (30) Data Entry Trainers under the BPO training programme were trained. Two (2) incubating companies developed an e-learning platform for business development training and educational software for Basic to Junior High School level in Mathematics, Science and English respectively. This will enable Ghana develop entrepreneurial business entities to achieve the objective of promoting ICT business incubation to nurture innovative ideas.

5.9 Modernisation and Development of the Postal Sector

To have an efficient and reliable postal and courier system, a national Draft Postal Policy was developed to increase citizens' access to postal services and to make the sector highly competitive.

5.10 Mobile Number Portability (MNP)

To encourage healthy competition among mobile service providers, consultations were commenced with Telecom Industry Players to define the technical parameters with the ultimate objective of encouraging consumer choice and lower prices of mobile service.

5.11 Telecommunications Gateway Project

The contract has been awarded for the commencement of the Telecommunications Gateway Project to achieve an efficient regulatory oversight on telephone services and to enhance both operator and government revenue generation.

5.12 National Digital Migration

A Technical Broadcasting Committee has been put in place while pilot testing with selected media houses is ongoing to ensure smooth transition from analogue to digital broadcasting. The project will enhance consumer choice, quality of service and to free national spectrum for other telecom services.

6.0 OUTLOOK FOR 2010

In furtherance of the Government of Ghana's medium-term (2010-2012) objective of ensuring macroeconomic stability and sustained growth through the provision, among others, of infrastructure including ICT, the Ministry of Communications intends to pursue policies and programmes towards the attainment of the goals and objectives of the four themes of Government's developmental strategy namely: transparent and accountable government; strong economy for real jobs, investing in people; and expanding infrastructure for growth.

In this direction, the Ministry plans to undertake the following in the year under consideration:

6.1 Quality of Service

With the installation of the ASCOM Quality of Service Monitoring Equipment, the Ministry intends to supervise the decentralisation of the NCA's monitoring work to check the incidence of call drops, inadequate service coverage, network congestion and network unavailability.

6.2 Mobile Number Portability

In this regard, the Ministry, acting through the NCA, will inject healthy competition between and among operators by consolidating efforts aimed at ensuring the successful deployment of Number Portability Solution. The intention is to give users choice to migrate from one network to another in search of

better services and hence serve as a motivation for improved services on the part of service providers

6.3 Consolidated National Gateway Monitoring System

Again, the Ministry taking advantage of the favourable climate for infrastructural development will install the Consolidated National Gateway Monitoring System purposefully to enhance the NCA's oversight on telephone service clearing house which will help in controlling all grey routes. This will check the incidence of fraud while enhancing revenue generation to both operators and government.

6.4 Sim Card Registration

For the similar purpose of eliminating the telephone-enabled incidence of fraud and other security concerns, the Ministry, through the NCA, will facilitate the technical processes towards ensuring the registration of Sim Cards in the country.

6.5 Provision of Broadband ICT Infrastructure for Growth

Under the e-Government infrastructure programme, arrangements have been concluded to extend high speed broadband capacity to all Metropolitan, Municipal and District Assemblies, provide equipment for connecting up to 550 MDA facilities to the wireless last mile access network and a high speed interconnection for all MDA's that will be facilitated on the core network running at 10Gbps (Gigabits per second).

6.5.1 e-Government Infrastructure

The Ministry will also establish an enhanced e-government infrastructure platform with accompanying terminal equipment to facilitate education, health, commerce, agriculture and governance right to the grassroots level. A secondary data centre will be developed in the year under consideration to support the initiative.

6.5.2 National Internet Registry

Also, as a way of enhancing the use of the internet pursuant to the migration from IPV4 to IPV6 and to deal with security concerns, a National Internet Registry will be established.

6.5.3 Portal Data Centre Infrastructure

As a way of ensuring accountable governance, Portal Data Centre Infrastructure will be developed to enable the Ministry pilot the following e-applications: Content Management System for managing hosted content on the portal; Payment Gateway to facilitate portal-based receipts and payments; e-Forms Application and Document Management Application. Also, the e-Parliament and the e-Immigration components of the e-Government initiative will commence in the course of the year.

6.5.4 Central Data Centre

The Ministry intends to set up a centralised data centre to consolidate the storage of data needed for effective decision-making and to help reduce cost of keeping data in different silos.

6.6 Automation of Revenue Generating Agencies

Pursuant to the collaborative efforts with the Ministry of Finance culminating in the Public-Private Partnership arrangement with the GCNET, the project to automate the revenue agencies will commence within the year. This will enhance network transparency and accountability, address revenue leakages and improve revenue generation for the country.

6.7 Development of Enterprise Architecture and e-Government Interoperability Framework (EA/e-GIF)

This involves the establishment of standards to promote business and performance-based framework to support cross-agency collaboration, transformation and public sector-wide improvement in pursuit of a vibrant e-

government service delivery. In 2010, Policy and ICT Management Staff of MDAs will be trained in the EA/e-GIF initiative while a pilot Enterprise Architecture programme will be held for IRS, Ghana Health Service and the Ministry of Communications.

6.8 Schools Connectivity Programme

GIFEC, in partnership with the GETFUND, will implement the e-school programme which will provide internet connectivity and computers to schools. This is part of efforts to ensure universal access.

6.9 Common Telecom Facilities

Further to efforts at facilitating universal access, six(6) new common telecommunication facilities will be undertaken to enhance connectivity to over 200 communities. This, particularly, those that will be sited along main corridors, is expected to help fight highway crime.

6.10 The Pan-African E-Network Project

To consolidate the process of integration, the project to connect all 53 nations of the African Union by a satellite and Fibre Optic Network for effective communication and connectivity among the nations to promote e-education, e-health and also help link up Heads of State to one another will commence operations. The University of Ghana and the Kwame Nkrumah University of Science and Technology will be integrated to the system.

7.0 BUDGET ESTIMATES FOR 2010

For its operations in 2010, the Ministry of Communications has been allocated an amount of **Seventy-One Million, Nine Hundred and Twenty-Five Thousand, Seven Hundred and Fifty-Six Ghana Cedis (GH¢71,925,756.00).** This is made up of the following components:

a.	GOG	-	GH¢8,085,473.00	11.24%
b.	IGF	-	GH¢2,420,000.00	3.37%
c.	Donor	-	GH¢61,420,283.00	85.39%
	Total	-	**GH¢71,925,756.00**	

The table below shows the proposed allocations to the various MDAs.

SUMMARY OF BUDGET ALLOCATIONS FOR 2010 Fiscal Year (GH¢)

Cost Centers	GOG				IGF	DONOR	GRAND TOTAL
	P.E	Admin	Service	Invest			
Gen. Adm.	402,928	180,000	97,132	2,230,694	-	61,420,283	**64,331,037**
GICTED	167,042	60,000	29,848	477,000	-	-	**733,890**
KACE	572,862	90,000	44,771	300,000	310,000	-	**1,317,633**
PCSRC	98,082	40,000	11,600	85,555	-	-	**235,237**
IAU	15,574	2,961	2,180	-	-	-	**20,715**
GMA	2,472,423	70,000	34,821	600,000	2,110,000	-	**5,287,244**
	3,728,911	442,961	220,352	3,693,249			
Sub-Total	8,085,473				2,420,000	61,420,283	**71,925,756**

8.0   OBSERVATIONS AND RECOMMENDATIONS

During its deliberations, the Committee made the following observations:

8.1   *Low Budgetary Allocation*

8.1.1   The Committee observed with concern, the rather low budgetary allocation to the Ministry having regard to the numerous activities it plans to execute within the year under consideration. The Committee's observation stemmed from its belief that in this era of globalisation when the entire world is being propelled by technological advancement, Ghana needs to be able to develop its technology infrastructure adequately enough so as not to be left behind and lose its capacity to attract foreign direct investment which is vital in growing the economy into a middle income status.

8.1.2 Low Budgetary Allocation and Technology Park

The Committee was particularly enthused about the intended creation of the Technology Park which is supposed to complement the effort to create the requisite environment for job creation and wondered if this noble project could materialise in the face of low budgetary allocation.

8.1.3 Government Assisted PC Programme (GAPP) i Advance Computer 4all

Similarly, the programme designed to increase access and use of computers with the aim of transforming the economy into a technologically-driven one stands the risk of being unduly delayed for reason of low budgetary allocation, the Committee observed.

The Committee accordingly recommends that having regard to the Ministry's role in enhancing the effectiveness of all productive sectors of the country, efforts should be made by the Ministry of Finance to augment the Ministry's funding in a supplementary estimate and also in budgets of subsequent years.

8.1.4 Non Release of Investment Funds

In a similar vein, the Committee noted that while the allocation for the Ministry has, over the years, been low, the non-release of investment funds for 2009 poses yet another problem. The effect of this phenomenon, the Committee observed, is the need to restart certain projects and programmes right from the scratch as they could not be commenced in the past year. It also means the inability to meet certain targets.

8.1.5 National Digital Migration

The Committee was told that the Ministry had a significant role to play in the National Digital Migration Programme for which it intends to set up a Technical Committee to guide the orderly process of migration from analogue to digital broadcasting in line with international convergence standards. The Committee observed that any future non-release of funds would result in the inability of the

country to meet the international target of 2012 consequent upon which the nation will stand the risk of a collapsed broadcasting industry.

In the light of the foregoing, the Committee recommends that the Ministry of Finance makes releases of funds to the Ministry a priority to enable the Ministry discharge its responsibility to the full.

8.2   Donor Funding

Again, the Committee observed that the allocation to the Ministry was donor-driven with the donor component amounting to 85.39% of the total allocation of GH¢71,925,756.00. The Committee was particularly concerned about the global financial crises which was yet to ease completely and wondered if there was any certainty about the release of all donor components of the allocation.

8.2.1 Community Information Centres

The Committee lauded the initiative to promote an all-inclusive information and knowledge-based society to the benefit of both urban and rural communities through the establishment of the community information centres in all the 230 constituencies of the country. It was the Committee's view that the e-governance project together with other social programmes including e-health, e-agriculture, etc will be greatly enhanced nation-wide by the establishment of these centres. However, the Committee observed that the non-release of donor funding could truncate the project and all the intended benefits would be illusive.

8.2.2   Public Private Partnership (PPP)

The Committee learnt with a sense of approval the effort of the Ministry to rely on a PPP to promote the laying of fibre optic backbone to link the oil producing area. The Committee viewed this as a healthy development and urged the Ministry to endeavour to introduce the initiative to all other sectors of the Ministry to reduce the over-reliance on donor funding which has the potential to

disorganise the nation in the event of the non-release of a significant portion of it in a given year.

8.3 Internally Generated Fund (IGF)

The Committee observed that given the pivotal role the Ministry plays in creating the enabling environment for the effective performance of the private sector organisations in the industry, its IGF projection for the year was rather low. The Committee's observation was premised against the backdrop of the low budgetary support to the Ministry with particular regards to the low GOG funding and the non-expectation of a significant increase in funding in the foreseeable future in view of the ever increasing commitments of government. With the tremendous potential to generate sufficient IGF to supplement government's efforts, the Committee believes that the Ministry could achieve better in IGF generation provided it is given the right support.

8.4 Ghana-Indian Kofi Annan Centre of Excellence in ICT (KACE)

The Committee was especially concerned about the Ghana-India Kofi Annan Centre of Excellence in ICT (KACE) which was fully equipped with all the state-of-the-art ICT equipment and had the cream of well-trained personnel but which had such a low IGF target.

The Committee recommends an amendment to the statute establishing the centre for a total access to their IGF to enable them reposition themselves through restructuring and advertisement to capture a fair share of the ICT training and consultancy market. The Committee is convinced that by this arrangement, the Centre will not only wean itself from government subvention but will also contribute to national revenue.

8.5 Ghana Meteorological Agency (GMA)

The Committee was, again, not pleased with the IGF projection of the GMA having regard to the specialised services it performs to very key lucrative sectors

13

of our economy, notably the aviation and shipping sectors of the transport industry.

The Committee learnt that, GMA had a contractual arrangement by which it benefited from a portion of all airport taxes. However, with the creation of the Ghana Airport Company which is entitled to a 60% share of the airport tax, and the Ghana Civil Aviation Authority which has a 40% share of the airport tax, GMA has been able to sign a deal with only the Authority which entitles it to a share of the stake of the Authority in Airport tax. This indeed, has reduced the IGF of the GMA and the Committee accordingly recommends that urgent steps be taken by the Ministry to negotiate with the Airport Company to commit them to honouring their obligation to the GMA.

The Committee was not oblivious of the effects of the climate change which could be mitigated by good, timely and accurate forecasts and therefore expressed the hope that the resourcing of the GMA could enable it to re-equip itself with all the necessary modern equipment such as the radar it intends acquiring within the year.
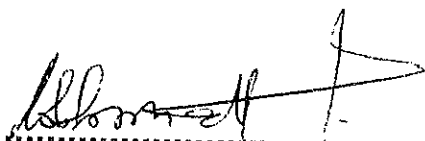
9.0 CONCLUSION

Information and Communication Technology (ICT) has, undoubtedly, been identified as the panacea to the myriad of problems confronting the world, with particular reference to our country.

Besides, it provides the cheapest and most efficient means to inter-connect the world to ensure a regular and an effective flow of information.
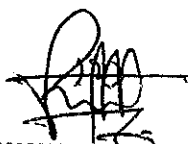
The net effect of this free-flow of information on global peace and development cannot be gainsaid.

Recognising the role of the Ministry in leveraging ICT with free flow of information to promote rapid socio-economic growth and wealth creation, the Committee recommends that the House approves the sum of Seventy-One Million, Nine Hundred and Twenty-five Thousand, Seven Hundred and Fifty-six Ghana Cedis **(GH¢71,925,756.00)** made up of Eight Million, Eighty-five Thousand, Four Hundred and Seventy-three Ghana Cedis **(GH¢8,085,473.00)** from GOG sources; Two Million, Four Hundred and Twenty Thousand Ghana Cedis **(GH¢2,420,000.00)** from IGF sources; and Sixty-One Million, Four Hundred and Twenty Thousand, Two Hundred and Eight-three Ghana Cedis **(GH¢61,420,283.00)** from Donor sources to enable the Ministry of Communications carry out its programme for the 2010 Financial Year.

HON. HEROD COBBINA
VICE CHAIRMAN, COMMITTEE ON COMMUNICATIONS

RICHARD ACHEAMPONG
CLERK, COMMITTEE ON COMMUNICATIONS

(14TH DECEMBER 2009)