

**IN THE FIRST SESSION OF THE FIFTH
PARLIAMENT OF THE FOURTH REPUBLIC
OF GHANA**

**REPORT OF THE SELECT COMMITTEE ON
FOREIGN AFFAIRS**

ON THE

**2010 ANNUAL BUDGET ESTIMATES OF
THE MINISTRY OF FOREIGN AFFAIRS**

15TH DECEMBER 2009

1.0 INTRODUCTION

- 1.1 In accordance with Order 140 (1) (2) of the Standing Orders of the House and Article 179 of the Constitution, the Hon. Minister for Finance and Economic Planning, Dr. Kwabena Duffuor presented to Parliament the Budget Statement and Economic Policy of the Government of Ghana for the 2010 financial year on Wednesday 18th November 2009. The Annual Estimates for the Ministry of Foreign Affairs was accordingly referred to the Select Committee on Foreign Affairs for consideration and report in accordance with Standing Order 140 (4).

The Committee met on Thursday 10th December 2009 with the Deputy Minister of Foreign Affairs and Regional Integration, Hon. Chris Kpodo accompanied by officials from the Ministry. An Official from the Ministry of Finance and Economic Planning (MOFEP) was also present.

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 2010 Financial Year
- iv. 2010 Draft Annual Estimates of the Ministry of Foreign Affairs
- v. 2009 Committee Budget report

3.0 MISSION STATEMENT AND MEDIUM TERM OBJECTIVES

The Ministry of Foreign Affairs and Regional Integration exists to advise and assist government in the formulation and implementation of Ghana's foreign policy objectives, including the offering of advice on policy options in response to unfolding International situations and events.

The objectives of the Ministry include the following:

- Helping forestall external aggression and safeguarding Ghana's Territorial Integrity and contributing to international peace-keeping efforts;
- Promoting and protecting economic, social, cultural, civil and political rights as enshrined in 1992 constitution and all Africa and International Human Rights Instruments to which Ghana is a state party;
- Promoting fruitful political and economic relations with all countries, especially Ghana's neighbours, in the interest of peace, stability and economic development;
- Enhancing Ghana's image abroad through active participation in international organisations;
- Upgrading the human and institutional capacity of the Ministry within the context of the capacity building of the public and civil service for accountable, efficient and effective performance as well as timely service delivery;
- Improving Ghana's position in global and regional markets;
- Providing efficient and effective consular/welfare and legal service within and outside Ghana;

4.0 **PERFORMANCE IN 2009**

The Ministry was allocated a sum of **Seventy Three Million, One Hundred and Eight Thousand, Five Hundred and Thirty Five Ghana Cedis (GH¢73,108,535.00)** for the Ministry of Foreign Affairs and Regional Integration for its operations in 2009.

Key activities undertaken as well as achievements made during the year were:

- Promotion of the policy of good neighbourliness and regional integration, whereby Ghana participated in the deliberations of ECOWAS and the Africa Union peace, stability and economic development in the sub region;

- Maintaining a high profile Ghanaian diplomatic presence yielding appreciable levels of foreign direct investments, political goodwill and international solidarity and a positive national image. Government promoted and articulated Ghana's interests and views abroad and in major international fora;
- Participating effectively in the deliberations of multilateral institutions seeking solutions to the challenges confronting international peace, stability and development;
- Coordination of the visit to Ghana by US President Barrack Obama which highlighted Ghana as a beacon of democracy and progress on the continent;
- Organisation of an induction workshop for Ambassadors and High Commissioners designate;
- Continued renovation of official properties owned by a number of its Missions abroad and construction of Legon Centre for International Relations (LECIA) building;
- Development of the first phase of an e-administration project to improve the capacity of sector staff and assist in streamlining activities to make them more efficient and cost effective;
- Commencement of a project to introduce biometric passports in Ghana and the renovation of passports office and equipment installed for data-capturing and issuance of passports;
- The inauguration by the APRM Governing council of 10 more District Oversight Committees to increase broad-based participation of civil society in the APRM process and to facilitate sensitisation activities at the grass root level

5.0 OUTLOOK FOR 2010

Government will pursue foreign policy objectives through building goodwill in the international community in order to influence and promote favourable perceptions about Ghana. Key activities for the year include the following:

- The pursuance of the national objective of diversifying and increasing the export base by seeking markets for Ghanaian products abroad while taking full advantage of preferential arrangements and multilateral trade agreements;
- To pursue regional integration by participating in the deliberations of ECOWAS and other sub-regional and regional economic communities while ensuring that Ghana derives maximum benefit from its membership of such bodies;
- The minimization of the negative impact and optimizing the potential benefits of migration on Ghana's development by promoting and protecting the welfare of Ghanaian nationals abroad and ensure their active participation in national development efforts. In this regard, the Ministry will:-

- ◆ Facilitate the formulation of a national migration and development policy;
 - ◆ Establish a database of Ghanaians in the Diaspora;
 - ◆ Develop instruments and interventions to tap into the Diasporan human resource base;
 - ◆ Negotiate agreements with destination government; and
 - ◆ Intensify public education on the risks of irregular migration;
- Promotion of the diversification and expansion of the tourism industry for job creation and revenue generation by marketing Ghana abroad as a competitive tourist destination and also attract investment into the hospitality industry;
 - Continue commitment to international conventions and protocols by ensuring the timely signing of, or accession to international conventions and protocol and coordinate and monitor effective implementation of signed and ratified conventions and protocols; and

- Completion of the decentralisation process of the biometric passport issuing process by setting up data-capturing centres in regional capitals to serve the public and also implement a wide Area network (WAN) infrastructure to link the centres to the Passport Office in Accra.

6.0 BUDGET ESTIMATES FOR 2010

The Ministry of Foreign Affairs and Regional Integration has been allocated an amount of **One Hundred and Five Million, Three Hundred and Eighty One Thousand, Three Hundred and Seventy Five Ghana Cedis (GH¢105,381,375.00)** for its operational activities. This is made up of GOG and IGF components:

Summary of the Total Allocation

a)	Government of Ghana (GOG)	¢83,623,874.00
b)	Internally Generated Fund (IGF)	<u>¢21,757,500.00</u>
	Total	<u>¢105,381,374.00</u>

The departmental breakdown of the Ministry's budgetary allocation for the year 2010 is as follows:

		GOG	IGF
Personnel Emoluments	-	54,472,895.00	-
Administration	-	15,823,132.00	-
Service	-	2,400,000.00	-
Investment	-	<u>10,927,847.00</u>	<u>21,757,500.00</u>
Total	-	<u>83,623,874.00</u>	<u>21,757,500.00</u>

7.0 OBSERVATIONS AND RECOMMENDATIONS

Table 1 – Comparism between the Ministry’s requirement and allocation

NO.	ACTIVITY	ACTUAL BUDGETARY REQUIREMENT GH¢	BUDGETARY ALLOCATION GH¢
I	Personnel Emolument	54,472,894.83	54,472,895
II	Administration	100,734,234.10	15,823,132
III	Service Activity	16,761,907.81	2,400,000
IV	Investment Activity	13,767,787.72	10,927,847
TOTAL		185,766,824.46	83,623,874

Madam Speaker, your Committee in comparing the Ministry of Finance budget allocation of **GH¢83,623,874.00** (which excludes IGF) of the Ministry of Foreign Affairs and Regional Integration to its budgetary requirement of **GH¢185,766,824.46**, the Committee observed a shortfall of **GH¢102,142,950.46**. This means that the Ministry has been allocated only **45%** of its budgetary requirement for the year 2010.

According to the Ministry of Foreign Affairs their request was based on the realistic requirements of the Ministry formulated in accordance with the policy guidelines issued by the Ministry of Finance and Economic Planning (MOFEP). This is therefore a clear indication that the Ministry would not be able to function effectively in the 2010 financial year if nothing is done about the provision.

The Committee therefore recommends strongly that aspect of the HIPC or Multi Debt Relief Initiative (MDRI) should be allocated to the Ministry to support its operation.

Indebtedness to Landlords

Madam Speaker, the Committee observed the inability of the Ministry of Foreign Affairs and Regional Integration to meet its rent obligations as a result of shortfalls in its budgetary allocations and expressed concern over the reoccurrence of this phenomenon.

According to the Ministry, some Missions have for protracted periods been indebted to landlords and face threats of eviction for non-payment of rents, court actions with attendant fees, discontinuation of services by various providers which has for a long time caused such missions embarrassment and shame in the diplomatic community.

The Committee shared in the Ministry's sentiments and requested that MoFEP takes all necessary steps to settle all outstanding debts of the missions abroad. In response to this the Committee secured an assurance from MoFEP that it would endeavour to meet all justifiable obligations in respect of its indebtedness upon Ministry of Foreign Affairs submission of its outstanding bills.

Internally-Generated Funds (I.G.F)

The Committee noted two issues of the Ministry, which have been expressed over the years but still remain unresolved. Firstly, the Ministry of Foreign Affairs though is permitted by law to utilise up to 25% of its internally-generated funds (IGF) the expenditure pattern of the Ministry shows that the amount that the Ministry realised is inadequate to meet the challenges of our missions abroad.

Consequently the Committee wishes to urge the Ministry of Finance to consider reviewing the figure to 50% so as to enable the Ministry of Foreign Affairs commit the additional 25% to acquiring properties to operate optimally.

Secondly, the Committee observed that the retention quota of the sector Ministry does not take into account the locally generated IGF, such as passport fees, even though the

Ministry spends a greater chunk of its budget in financing some aspects of the cost of processing the passports. The Committee therefore urges the Ministry to work out modalities to retain a percentage of its locally generated IGF to enable them meet the additional cost they incur in the issuance of passports and its related activities.

Additionally, the Committee noted that visa fees charged by Ghana Missions abroad is very low compared to some Foreign Missions in the country. It is the Committees view that Visa fees must be charged on the bases of reciprocity to serve as an additional source of generating IGF for the Ministry.

The Committee was also concerned about the exorbitant charges by some countries for the use of their Airports VIP Lounge services by diplomats and MDA's. The Committee is of the view that the Ministry of Foreign Affairs must consider charging some amount of fees for the use of Ghana's Airport VIP Lounge in order to generate additional IGF. The Committee also proposes that Officials from the various MDA's in Ghana must be prepared to bear the cost of such bills during their visit to other countries instead of shifting the cost burden unto the Missions.

Foreign Service Allowance

Madam Speaker, the Committee noted that some of the fixed cost has been captured under their item II in the 2010 budget estimates. These include:

- i. rent of Ghana Mission abroad
- ii. Utilities and
- iii. Foreign Service Allowance

The anomaly provides a clear indication of the difficulty that the Ministry is likely to face in the 2010 fiscal year budget implementation. The Committee views this as an omission and recommends that MoFEB addresses the irregularity to allow the Ministry to meet its full obligation under the P.E in 2010.

Biometric Passports

The Committee expressed concern about the delays in the acquisition of Ghanaian passports and its associated malpractices, especially regarding exorbitant fees charged by middlemen in the process. The Hon. Deputy Minister informed Members that the introduction of the proposed biometric passport, with enhanced security features, would significantly reduce the problems of fraud, forgery, duplication and its associated malpractices. This would further eliminate middlemen in the application and acquisition of passports since the applicant would have to be available for his or her thumbprint to be taken for identification purposes before the passport is issued. This the Foreign Affairs Ministry would do in collaboration with the National Identification Authority.

The Committee applauded the idea and urged the Ministry to expedite action on this matter to enable the country meet the International standards.

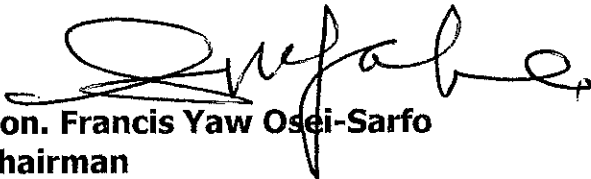
8.0 Conclusion

Madam Speaker, considering the importance of the Ministry of Foreign Affairs in ensuring that there is a dynamic and people-centred Foreign Policy in which ordinary citizens see the social, economic and cultural benefits of the Ghana's relations with the rest of the world, the Ministry requires a professionalized, focused and well-resourced foreign service to enable it deliver world-class diplomacy.

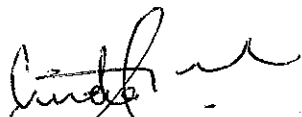
Effective diplomacy, Madam, Speaker cannot be achieved without the allocation of adequate resources and therefore wishes that the Ministry of Finance and Economic Planning in its supplementary budget to the House considers the Ministry of Foreign Affairs and Regional Integration. The Committee, nevertheless, recommends that this Honourable House approves the sum of **one hundred and five million, three hundred and eighty one thousand, three hundred and seventy five Ghana**

Cedis (GH¢105,381,375) for the Ministry of Foreign Affairs and Regional Integration
for the 2010 fiscal year.

Respectfully submitted.



Hon. Francis Yaw Osei-Sarfo
Chairman



Linda Gyekye Boadu
Assistant Clerk

15th December 2009