

**IN THE FIRST SESSION OF THE SIXTH
PARLIAMENT**

OF THE

FOURTH REPUBLIC OF GHANA

REPORT OF THE JOINT COMMITTEE

ON

**TRADE, INDUSTRY AND TOURISM
AND YOUTH, SPORTS AND CULTURE**

ON THE

**2014 ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF
TOURISM, CULTURE AND CREATIVE ARTS**

11TH DECEMBER, 2013

**THE REPORT OF THE JOINT COMMITTEE ON TRADE, INDUSTRY &
TOURISM AND YOUTH, SPORTS AND CULTURE ON THE 2014 ANNUAL
BUDGET ESTIMATES OF THE MINISTRY OF TOURISM, CULTURE AND
CREATIVE ARTS**

1.0 INTRODUCTION

The Budget Statement and Economic Policy of the Government of Ghana for the 2014 Financial Year was presented to the House on Tuesday, 19th November, 2013 by the Hon. Minister of Finance, Mr. Seth Emmanuel Terkper.

The Rt. Hon. Speaker referred the 2014 Annual Budget Estimates of the Ministry of Tourism, Culture and Creative Arts (MTCCA) to the Committees on Trade, Industry and Tourism and Youth, Sports and Culture for consideration and report in accordance with Article 179 of the Constitution of Ghana and pursuant to the Orders 140(4), 159 and 187 of the Standing Orders of the House.

In considering the Annual Estimates, the Committee met with the Hon. Minister for Tourism, Culture and Creative Arts, Mrs. Elizabeth Ofosu-Agyare, her Deputy, Hon. Abla Dzifa Gomashie, and the team of officials from the Ministry, Departments and Agencies.

2.0 REFERENCE DOCUMENTS

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

- i. 1992 Constitution of the Republic of Ghana;
- ii. Standing Orders of the House
- iii. MDAs 2013 Actuals
- iv. Budget Statement and Economic Policy for the 2014 Financial Year
- v. Programme-Based Budget Estimates for 2014 for the Ministry of Tourism, Culture and Creative Arts.
- vi. Executive Instrument (E.I. 2013).



3.0 MANDATE AND MSSION OF THE MINISTRY

The mandate is to provide a firm, stable policy environment for effective mainstreaming of Ghanaian culture into all aspects of national life and to ensure creative economy to the Tourism Industry. It exists to create a conducive environment for sustainable development of Tourism, Culture and Creative Arts. This will be achieved through the formulation, coordination, monitoring and evaluation of sector policies and plans in partnership with stakeholders.

4.0 IMPLEMENTING AGENCIES

1. Ghana Tourism Authority
2. Hotel Catering and Tourism Training Centre (HOTCATT)
3. Ghana Tourism Development Company
4. National Commission on Culture
5. Bureau of Ghana Languages
6. Ghana Museums and Monuments Board
7. National Theatre of Ghana
8. Kwame Nkrumah Memorial Park
9. W.E.B. Dubois Memorial Centre
10. National Symphony Orchestra
11. Ghana Dance Ensemble
12. Abibigromma Theatre Company
13. National Folklore Board
14. Pan African Writers Association



5.0 PERFORMANCE FOR THE YEAR, 2013

The total budget of GH¢18,585,375 which was allocated to the Ministry and its 14 Agencies was woefully inadequate. This puts a major limitation on the implementation of mandatory programmes and activities of the Ministry. Coupled with this was the fact that some line items such as assets and donor components had no releases, while Goods and Services fell short by 67%. In the case of assets (capital expenditure budget) out of the approved Three Million, Two Hundred and Eighty-Eight Thousand, Three Hundred and Seventy-Nine Ghana Cedis (GH¢ 3,288,379.00), no release has been made so far resulting in real challenges for the replacement of old equipment and vehicles. This situation is bad particularly as the Minister and her Deputy as well as Directors do not have vehicles, making movements difficult.

However, the Committee noted that releases for compensation far exceeded what was approved. This was basically as a result of the implementation of the Single Spine Pay Policy. The details are outlined in Table 1:

Table 1: Variance Analysis as at October, 2013.

<u>ITEM</u>	<u>2013 APPROVED BUDGET (GH¢)</u>	<u>AMOUNT RELEASED BY END OF OCT. (GH¢)</u>	<u>VARIANCE (GH¢)</u>	<u>% VARIANCE</u>
Compensation	2,662,235.00	18,029,927.60	15,367,692.00	577
Goods & Services	7,893,361.00	2,635,167.00	(5,258,194.00)	67
Assets	3,288,379.00	-	-	100
IGF	3,774,750.00	-	-	100
Donor	966,650.00	-	-	100
Total	18,585,375.00	20,665,094.60	-	

6.0 PROGRAMMES AND ACTIVITIES OF THE MINISTRY IN 2013

- Organized the 8th Okwahu Hang & Paragliding Festival at Atibie during the Easter Festival.
- Organized the National Chocolate Day on the 24th of February, 2013



- Participated in the UNWTO 20th Session General Assembly at Victoria Falls, Livingstone, Zimbabwe/Zambia.
- Organised PANAFEST of which over 5000 African Diasporas patronized the event.
- Participated in the World Travel Market International Tourism Fair in Excel London, UK.
- Commemorated the 50th anniversary of the death of Dr. W.E.B Du Bois and also the celebration of his Birthday.
- Organised the 2nd Edition African Choral Festival in Cape Coast
- Organized an exhibition titled “Ankobra Gold Route’: Ghana- Dutch Common Cultural Heritage in collaboration with an Italian NGO, Ricercae Cooperazione, in the Western Region.
- Nomination Dossier updated with maps for submission to World Heritage Committee (Tongo Teng Zuk, near Bolgatanga).
- Produced and distributed Efo Kodjo Mawugbe’s “In the Chest of a Woman” and Sackey Sowa’s “Firestorm by Abibigromma to 45 Second Cycle schools in Ashanti, Brong Ahafo and Southern Volta.

6.1 Restructuring of the Ministry

The Ministry and its implementing Agencies are being restructured to reflect the mandate of the re-aligned Ministry of Tourism, Culture & Creative Arts. This was to develop their New Vision, Mission, Mandate and Functions in collaboration with Management Services Division (MSD)/ Office of The Head of Civil Service (OHCS).

6.2 Restructuring of the Ghana Tourism Authority

The Ghana Tourism Authority restructuring process in line with the Tourism Act 817 is on course. This is to facilitate the collection of 1% Levy paid by patrons of tourism enterprises into the Tourism Development fund.



6.3 The Ghana Tourism Authority inspectorate Division

The Ghana Tourism Authority inspected over 100 up-market hotels country-wide. The outcome was the issuance of the registration and operating licenses to hotels in order to maintain standards and quality service delivery.

7.0 BUDGETARY ALLOCATION FOR 2014

For the implementation of its programmes and activities, a sum of **GH¢33,705,525** has been allocated to the Ministry in the 2014 fiscal year to cater for Compensation of Employees, Goods and Services and Assets for itself and the fourteen (14) Departments and Agencies which fall under the Ministry. Budgetary allocations by cost centres and programmes are shown in Tables 2(A) and (B) respectively.

Table 2(A) Budgetary Allocation by Cost Centre (2014)

NO.	Cost Centre	Comp.	Goods and Service	Assets	IGF	DONOR	TOTAL
1.	MTCCA	645,887	1,536,884	1,315,545	-	-	3,498,316
2.	GTA	3,740,732	858,330	326,140	3,112,270	-	8,037,472
3.	HOTCATT	111,951	79,200	73,495	-	-	264,646
4.	NCC	10,536,122	200,470	235,184	243,280	-	11,215,056
5.	BGL	327,513	20,578	265,317	-	-	613,408
6.	GMMB	3,095,669	50,300	502,705	776,460	-	4,425,134
7.	KMP	101,622	24,750	102,893	308,510	-	537,775
8.	Dubois Centre	178,291	10,560	117,592	130,080	-	436,523
9.	NTG	1,030,470	50,281	264,582	1,043,120	-	2,388,390
10.	Abibigroma	418,344	9,900	66,146	147,670	-	642,060
11.	G. D. E.	504,235	5,445	33,808	70,040	-	613,528
12.	N.S.O	800,489	4,950	38,217	26,750	-	870,406
13.	PAWA	9,800	2,069	7,350	-	-	19,219
14.	Creative Arts	-	12,229	14,699	15,580	-	12,229
15.	NFB	90,374	10,710	14,699	15,580	-	131,363
TOTAL		21,591,436	2,876,656	3,363,673	5,873,760	-	33,705,525

Table 2(B): Allocations by Projects and Programmes (2014)

NAME	COMPENSATION OF EMPLOYEES	GOODS AND SERVICES	CAPEX	IGF	TOTAL
Headquarters	645,887	1,030,000	991,458	-	2,667,345
Tourism Product Development	2,147,547	140,000	324,088	337,854	2,949,489
Tourism Research and Marketing	646,805	766,884	20,000	1,153,889	2,587,578
Tourism Quality Assurance	1,058,311	537,530	379,635	1,620,527	3,596,023
Culture, Creative Arts and Heritage Management	17,092,866	402,242	1,648,492	2,761,490	21,905,090
Total	21,591,436	2,876,656	3,363,673	5,873,761	33,705,525

8.0 PROGRAMMES AND ACTIVITIES FOR 2014

To contribute to the attainment of the objectives of the National Medium Term Development Plan (2014-2017) the Ministry will carry out five (5) Programs as follows:

- Management Administration
- Tourism Product Development
- Tourism Research and Marketing
- Tourism Quality Assurance
- Culture, Heritage Management and Promotion of Creative Arts

Under these programmes, the following activities will be undertaken:

- ❖ Organise Greater Accra Regional Homowo (HOMOFEST) to boost Culture, Creative Arts and Tourism enterprises for National cohesion
- ❖ Complete Accra Visitor Information Centre
- ❖ Complete Receptive Facilities
- ❖ Organise National Tourism Photo Competition and Job creation



- ❖ Undertake feasibility study for marine drive tourism master plan
- ❖ Erect five (5) Signages in regional capitals to promote tourists sites
- ❖ Conduct research and collate data for tourism statistics
- ❖ Promote Ghana in the International Media
- ❖ Market Ghana through participation in eight (8) International exhibitions & fairs
- ❖ Produce tourism promotional materials (brochures, maps, CDs fliers)
- ❖ Market Ghana's tourism, culture and creative arts through participation in four (4) UNWTO/UNESCO International Conferences
- ❖ Organise World Tourism Day Celebration 2014
- ❖ Organise familiarization tours to tourist sites for policy and decision makers, Corporate Ghana and Diplomats
- ❖ Organize Meridian Festival to commemorate the Founder's Day celebration to signify Ghana's position as the center of the world in Tema
- ❖ Conduct inspections and license tourism plants in the ten (10) regions
- ❖ Develop standards for new Tourism enterprises (Conference Centres, SPA's, Parks, Health Farms etc.)
- ❖ Operationalise Task Force to enforce service standards and Revenue generation
- ❖ Organise training for 300 school leavers into the industry (HOTCATT)
- ❖ Organise National Drama Festival for schools & colleges
- ❖ Organise Cultural exchange programmes for 60 artists and other officials
- ❖ Establish Ghana Culture/Creative Arts development indicators suite(databank)
- ❖ Complete Regional Theatre in Eastern Region



- ❖ Organise training workshops for artisans in the regions
- ❖ Organise annual Kiddafest and provide support for Performing Artistes
- ❖ Organise national and international tours to promote Ghana's performing arts.
- ❖ Rehabilitate the National Theatre.

9.0 OBSERVATIONS

9.1 Achievements

It is worthy to note that the Ministry maintained its position as the Fourth (4th) highest foreign exchange earner after Gold, Cocoa and remittances. It contributed about 4.7% to Gross Domestic Product (GDP). Total employment created in both formal and informal tourism enterprises was estimated at 319,000 out of which 91,000 were direct jobs.

The Committee lauds the fact that International arrivals and receipts grew by 10% by rising from 903,300 in 2012 to 993,600 in 2013 resulting in corresponding increase in receipts from US\$ 1.7 Billion to US\$ 1.9 Billion.

9.2 Critical Projects

The Committee observed with dismay the inadequate allocation of Thirty-Three Million, Seven Hundred and Five Thousand, Five Hundred and Twenty-Five Ghana Cedis (GH¢33,705,525) for 2014 against the Ministry's budget proposal of One Hundred and Sixty-Two Million Ghana Cedis (GH¢162,000,000) to the Ministry of Tourism, Culture and Creative Arts for the performance of its functions.

The Committee further noted that this may hamper execution of critical projects such as Accra Visitor Information Centre (AVIC), Tourist Receptive Facilities at Axim, Kpetoe, Gwollu, Wli, Saltpond, Salaga.



The Committee also observed that marketing and promotion of Ghana's tourism, culture and creative arts products and events will be constrained as well.

Again requisite logistics such as equipment and vehicles for supervision, monitoring and ensuring of standards by hospitality service providers is constrained.

The Committee further observed that no special allocation was made to the Creative Arts as was done in 2012 and 2013 budget statements and economic policy documents.

9.3 Ghana Tourism Authority

The Committee was informed that the Board which is to manage the Tourist Development Levy under the Ghana Tourist Authority is yet to be established and as such the levies collected are yet to be utilized.

It was further revealed that the Authority was not efficient in the collection of Tourism Development Levy which is its mandate.

The Committee lauded the idea that the Minister has established an audit Committee to evaluate the efficiency of the collection of the Tourism Development Levy undertaken by the Ghana Tourism Authority.

9.4 National Commission on Culture

It is worthy to note that the Ministry through the National Commission on Culture will re-launch the National Festival of Arts and Culture (NAFAC) and have it celebrated in 2014.

The Committee was happy to note that the Commission was working hand in hand with UNESCO to come out with cultural indicators and redefine the parameters to include the informal village entertainment.

The Committee was also informed that the Regional Cultural Centres organizes drama festivals every year for second cycle schools. The



Commission is planning to organise a national festival on culture in Accra.

The Regional Centres for culture are in the process of producing cultural books which are yet to be completed.

9.5 National Theatre of Ghana

The Committee lauds the idea that the National Theatre is organizing a Bazaar on made in Ghana products as part of the KIDAFEST.

However, the Committee was not happy with the maintenance culture of the National Theatre as most of its assets and buildings are in a deplorable state.

9.6 Kwame Nkrumah Memorial Park

Notwithstanding the financial constraints, the Kwame Nkrumah Memorial Park was able to achieve 29% of its set objectives for 2013.

The Park also collaborated with the Actors Guild on some programmes.

9.7 Dubois Centre

The Committee was informed that nothing was released to the Dubois Centre for its 2013 activities. However, the Centre was able to run some of its programmes through the renting of the Open Air Theatre for programmes. The location of the Centre at Cantonments has made it reduce the number of programmes it organizes because of the nuisance it causes its neighbors.

9.8 Accra Visitor Information Centre

Further, the Committee was informed that the Accra Visitor Information Centre was 90% complete and needed to have it fully completed to enable it begin to function.

9.9 Maximization of Internally Generated Funds

The Committee further noted that efforts should be made by the various agencies to raise more funds internally through innovation and creativity.



Anything short of this means, that there is no value for money. For instance, the Kwame Nkrumah Memorial Park could charge levies on foreign dignitaries and could also establish a Donation Board which would oversee donations from both foreign and local dignitaries.

9.10 Commitments of the Ministry

The Committee further observed that previous arrears and commitments of the Ministry and its Agencies had to be met from the same ceiling. This adversely affected the promotion of traditional programmes and on-going investment activities namely:

- i. Participation in the international tourism exhibitions and fairs. For instance, **World Travel Market Fair 2012, FITUR, VAKANTI AND ITB 2013** could not be attended.
- ii. **CNN “Eye on Ghana Project”** initiated to enhance global access to Ghana’s tourism for over 1 billion people which was estimated at US\$ 1.5 Million had to be shelved.
- iii. **Completion of On-going Tourist Reception Facilities** to enhance patronage at tourist sites and create jobs in the communities and management of over 28 sites is also marking time.
- iv. **New initiative to provide skill training** for 10,000 youth and women at tourist sites is underfunded.
- v. **Expansion of new Ministry’s mandate** calls for the supply of adequate logistics equipment and vehicles for proper coordination, supervision and/ monitoring of tourism and cultural programmes and projects.

9.11 Development Plan

The Committee was informed that implementation of the 15-year National Tourism Development Plan 2013-2027 requires preparation of investment



profiles and proposals for the development of identified tourist sites, circuits and zones.

It came to light that the Ministry took a decision to organise 2013 PANAFEST in order not to lose its organization to several African countries including Nigeria, Senegal, Gambia and others, who are competing with Ghana to take over its organization. For now, funding for it from the allocation has been inadequate.

The Committee is, however, of the view that funding is required for completion of unfinished projects such as the National Science Museum, rehabilitation of abandoned Regional Centres of National Culture and establishment of District Centres for the National Culture.

The Committee noted that proposals from various communities for the development of cultural villages must be considered for funding.

10.0 RECOMMENDATIONS

Based on the above observations, the Committee wishes to make the following recommendations:-

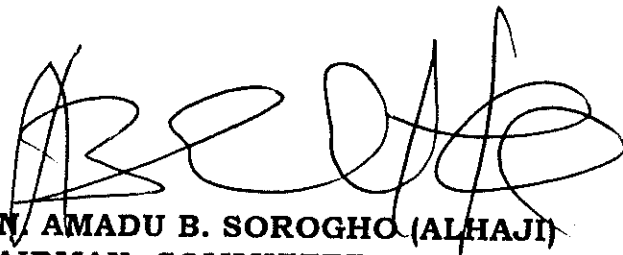
- The Ministry of Finance should ensure the upward adjustment of the Ministry's budgetary allocations and the timely release of the approved allocations to enable the Ministry perform its functions effectively.
- The Committee recommends to the Ministry of Tourism, Culture and Creative Arts as a matter of urgency to establish the Governing Board to manage the Tourism Development Levy so as to facilitate its utilization.
- The Ministry of Tourism, Culture and Creative Arts should ensure that the Ghana Tourism Authority is well-resourced to improve upon its efficiency in the collection of the 1% Tourism Development Levy.



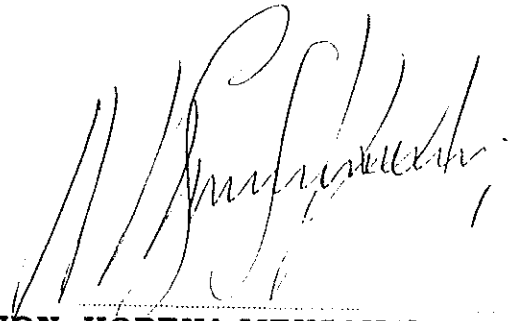
11.0 CONCLUSION

The Joint Committee on Trade, Industry and Tourism and Youth, Sports and Culture having examined the 2014 Budget Estimates of the Ministry of Tourism, Culture and Creative Arts recommends to the House to approve the sum of **Thirty-three million, Seven hundred and five thousand, five hundred and twenty-five Ghana Cedis (GH¢33,705,525)** allocated to the Ministry to enable it carry out its programmes and activities for the 2014 fiscal year.

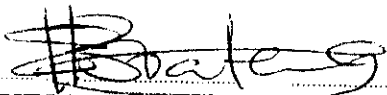
Respectfully submitted.



**HON. AMADU B. SOROGHO (ALHAJI)
CHAIRMAN, COMMITTEE ON TRADE,
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**HON. KOBENA MENSAH WOYOME
CHAIRMAN, COMMITTEE YOUTH,
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**EVELYN BREFO-BOATENG (MS)
CLERK, COMMITTEE ON TRADE,
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CLERK, COMMITTEE YOUTH,
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