

**IN THE THIRD SESSION OF THE FOURTH PARLIAMENT  
OF THE FOURTH REPUBLIC OF GHANA**

**REPORT OF THE COMMITTEE ON FOREIGN AFFAIRS  
ON THE 2008 ANNUAL BUDGET ESTIMATES OF THE  
MINISTRY OF FOREIGN AFFAIRS, REGIONAL  
INTEGRATION AND NEPAD**

**NOVEMBER 28, 2007**

# THE REPORT OF THE COMMITTEE ON FOREIGN AFFAIRS ON THE 2008 ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF FOREIGN AFFAIRS REGIONAL INTEGRATION AND NEPAD

## 1.0 INTRODUCTION

On Thursday, November 15, 2006, the Minister of Finance and Economic Planning Honourable Kwadwo Baah-Wiredu in accordance with Article 179 of the 1992 Constitution of Ghana, presented to this House the Government's Budget Statement and Financial Policy for year ending 31<sup>st</sup> December 2008. Consequent upon the motion for approval of the Government's Financial Policy and Budget Statement, the Draft Estimates of the Ministry of Foreign Affairs, and NEPAD was referred to the Committee on Foreign Affairs for consideration pursuant to Article 103 of the 1992 Constitution and Standing Order 140(4).

The Committee in considering the referral met the Deputy Minister of Foreign Affairs Hon. Dr. C. Y. Brempong-Yeboah, Officials of the Sector Ministry and representatives from the Ministry of Finance and Economic Planning. The Committee acknowledges their representations and expresses its gratitude for their co-operation.

## 2.0 REFERENCE DOCUMENTS

References were made to the following documents:

- I. The 2008 Budget Statement and Financial Policy of the Government
- II. The Draft 2008 Annual Estimates of the Ministry of Foreign Affairs and NEPAD.
- III. The Standing Orders of the House.
- IV. The 1992 Constitution of Ghana.

### **3.0 MISSION STATEMENT**

The Mission of Ministry of Foreign Affairs and NEPAD exists to promote the interest of Ghana and its citizens abroad as well as Ghana's security and prosperity through.

- I. Promoting friendly relations and economic co-operation between Ghana and other countries and Ghana's image abroad.
- II. Promoting Ghanaian exports, foreign investments, tourism and seeking scientific, technological and cultural links between Ghana and other states.
- III. Provision of economic, political and security information and advice to Government.
- IV. Provision of consular services.
- V. Playing a positive and creative role as a member of the United Nations (UN), the Economic Community of West African States (ECOWAS), the Non-Aligned Movement (NAM), the

Commonwealth, the AU and other International Organisations to which Ghana belongs.

- VI. Upholding the rule of law in international affairs and seeking the establishment of a just and equitable international order.
- VII. Provision of supportive services to relevant MDAs and NGOs in their work.
- VIII. Assisting the diplomatic Missions, International Organisations and foreign NGOs in the discharge of their duties in Ghana.

The Ministry of Foreign Affairs and NEPAD seeks to carry out the foregoing through a dedicated, efficient, knowledgeable and patriotic staff.

#### **4.0 OBJECTIVES OF THE MINISTRY**

The activities of the Foreign Affairs and NEPAD Ministry are broadly aimed at:

- I. Promoting and protecting the interest of Ghana.
- II. Providing efficient and effective consular services within and outside Ghana.
- III. Promoting favourable conditions for Ghana's trade, foreign investment, tourism and to seek scientific, technological and cultural co-operation with other countries and institutions.

- IV. Promoting fruitful political and economic relations with all countries especially Ghana's neighbouring countries in the interest of peace, stability and economic development.
- V. Playing a positive and creative role in international organizations to which Ghana belongs.
- VI. Upgrading the Ministry's human and institutional capacity for the efficient execution of Ghana's foreign policy objectives.
- VII. Forestalling external aggression, safeguard territorial integrity and contribute to international peace keeping efforts.
- VIII. Promoting and protect economic, social, cultural, civil and political rights as enshrined in our constitution and all African and international human rights instruments to which Ghana is a signatory.
- IX. Improving Ghana's position in global and regional markets.
- X. Enhancing access to export markets for both women and men.

#### **5.0 REVIEW OF THE MINISTRY'S PERFORMANCE IN 2007**

In the year under review, an amount of **(¢678,956,000,000.00)** was earmarked for the Ministry. The breakdown of the allocation with respect to the items are:

		<b>GOG</b>	<b>IGF</b>
Personnel Emoluments	-	309,692,000,000.00	-
Administration	-	227,467,000,000.00	4,613,000,000.00
Service	-	22,987,000,000.00	-
Investment	-	103,431,000,000.00	10,765,000,000.00
<b>Total</b>	-	<b>663,577,000,000.00</b>	<b>15,378,000,000.00</b>

The amount allocated by the Ministry of Finance and economic Planning represented 30% of the budgetary requirements. The Ministry intended to use its allocation, among others, for the maintenance of Government buildings, equipment, meet the rising cost of rent, utility, telecommunications bills and to purchase landed properties for the Missions abroad and also pursue vigorous investment drive for Ghana.

### **5.1 THE MINISTRY'S OPERATIONS IN 2007**

The amount allocated to the Ministry in the 2007 budget was woefully inadequate and seriously hampered the operations of the Ministry.

As at October ending 2007 the Ministry's expenditure is as in appendix I.

The Committee noted that commitments of the Ministry under Item I and II are fixed and therefore can not be varied.

## 5.2 ACHIEVEMENTS IN 2007

Notwithstanding the financial constraint the Ministry faced, it has implemented the following programmes as at October 2007.

### RENOVATIONS

#### 1. Accra International Conference Centre (AICC)

Extensive renovation works were carried out at the AICC which enabled it to successfully host the 9<sup>th</sup> Africa Union Summit.

The AICC's facilities have been upgraded to international standard to attract international conferences and boost the tourism industry. This is in line with the government's objective of making Ghana the gateway to Africa.

2. Renovations have also been carried out in many Missions abroad to enhance the image of the country. Several rundown and dilapidated properties have been refurbished thereby bringing them to a more acceptable standard befitting the image of the country.

Among the Missions which benefited from the refurbishment works include the following:

- New York - The Chancery building was refurbished at the cost of ₵4,719,876,000.00.

- Washington DC - The Chancery building has been renovated at the cost of ₺10,380,140.800.00
- Cairo - The residency was renovated at ₺1,294,693,035.00
- Ottawa Mission - ₺5,391,840,000.00 was released for its refurbishment.
- Copenhagen - The head of Chancery's residence was refurbished at the cost of ₺23,487,118,805.50.
- London Mission - An amount of ₺8,124,022,440.00 was released for renovation works at 13 Belgrade Square, London Mission.
- Brasilia - ₺1,021,999,979.56 was released for the fencing of the land for the Brasilia Mission.

Other notable development activities are:

- The release of funds for the supply and the installation of glazed aluminium windows for the LFCIA building project.
- The conversion of existing facilities at the Ellis Avenue, Kumasi into a State Lodge at ₺4,007,000,000.00

## **6.0 EXPENDITURE ESTIMATES OF THE MINISTRY OF FOREIGN AFFAIRS AND NEPAD FOR THE YEAR 2008**

To achieve its goals and objectives and in line with the government's overall developmental agenda, the Sector Ministry was allocated a



budgetary sum of **Seventy One Million, Nine Hundred and Ninety Seven Thousand, Nine Hundred and Fifty Eight Ghana Cedis (GH¢71,997,958.00)** made up of **Sixty Eight Million, Nine Hundred and Sixty One Thousand Nine Hundred and Fifty Eight Ghana Cedis (GH¢68,961,958.00)** Government of Ghana (GOG funds) and Internally Generated Funds of **Three Million and Thirty Six Thousand Ghana Cedis (GH¢3,036,000.00)**. The amount falls short of the Ministry's projected budgetary requirement by 65%.

The departmental breakdown of the Ministry's budgetary allocation for year 2007 is as follows:

	<b>GOG</b>	<b>IGF</b>
Personnel Emoluments -	35,993,916.00	-
Administration -	23,429,147.00	2,024,000.00
Service -	2,298,696.00	-
Investment -	7,240,199.00	1,012,000.00
<b>Total -</b>	<b>68,961,958.00</b>	<b>3,036,000.00</b>

The departmental breakdown of the Ministry's budgetary allocation is in appendix 2.

## **7.0 OBSERVATIONS AND RECOMMENDATIONS**

7.1 The Committee noted that the amount of **Seventy One Million, Nine Hundred and Ninety Seven Thousand, Nine Hundred and Fifty Eight Ghana Cedis (GH¢71,997,958.00)** allocated to the Ministry, is woefully inadequate to carry out its activities. It represents approximately 35% of its budgetary requirements for year 2008.

### **7.2 RENT/UTILITIES/INSURANCE**

The Committee observed that with respect to Item II, the Ministry would have problems meeting its fixed obligations. Payment of Rent, Utilities and Insurance are fixed. The amount of approximately GH¢23,400,000.00 allocated to item II would leave the missions with little funds for other activities in item II. The Committee was informed that some Missions are already indebted to their landlords. The Missions in Dakar, Luanda and Malabo are constantly being harassed by landlords for non-payment of rent on time. Giving this scenario, our missions are grappling with litigations which in the end would mar the image of the country.

The Committee recommends that the MOFEP takes a second look at the allocation to this item and increase allocation accordingly.

### **7.3 PROTOCOL SERVICES (VEHICLES)**

The Committee noted that most MDA's who undertake official overseas travel depend on Diplomatic Missions to extend protocol and consular services to them. The running costs of such service are mostly borne fully by the Missions abroad.

The Committee recommends that the Ministry of Finance and Economic Planning should redefine the expenditure costs of the Missions abroad to allow benefactor MDA's to co-share or bear their expenditure costs.

### **7.4 INTERNALLY GENERATED FUND**

The Committee noted that the retention quota of the sector Ministry (25% of consular fees) do not take account of various passport fees collected by the Immigration service of the Ministry of Interior who have been assigned the role of facilitators for the Ministry's Passport Division.

The Committee noted that through their facilitating role, fees are paid into the coffers of the Ministry of Interior depriving the sector Ministry of funds which could otherwise form part of its internally generated fund.

The Committee recommends that the Ministry of Finance and Economic Planning puts in place a mechanism in which part or a percentage of the fees collected by the Immigration Service should be retained by the Ministry of Foreign Affairs since the Ministry of Foreign Affairs bears the

costs of designing, printing and processing of the passports but receives no revenue from this activity.

The Committee deems it unfair and urges the MOFEP to take cognisance of the anomaly.

#### **7.4 VISA FEES**

The Committee noted that Visa fees charged by our Missions abroad are on the low side compared to what our nationals pay. The Committee therefore recommends that Visa fees charged by our Missions should be increased to reflect current realities.

#### **7.5 NEW MISSION**

The Committee noted that the Ministry was considering the re-opening or establishment of new Missions in some countries.

The Committee is of the view that in the midst of inadequate funds, the Ministry should re-direct its efforts to the refurbishment of dilapidated properties, rather than the re-opening of new Missions and acquisition of new landed properties which cannot be sustained and maintained by scarce available resources.

## **7.6 SOURCING OF LOANS**

The Committee bemoaned the lack of funds for investment. It recommends the Ministry of Foreign Affairs and NEPAD to consider sourcing for Loans or grants to address item IV.

## **8.0 CONCLUSION**

In the light of the sector Ministry's inadequate allocation and considering the fact that the sector holds the key to protect the image of the country. The Committee recommends that the Ministry of Finance and Economic Planning to consider a supplementary budget for the Ministry of Foreign Affairs and NEPAD since the inadequate allocations would probably undermine the programmes and activities of the Ministry.

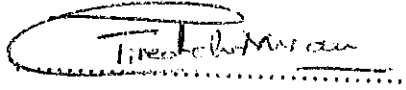
The Ministry is the Country's "voice" to the international community and should be resourced to uplift the country's image.

The Committee however recommends that the House approves the sum of **Seventy One Million, Nine Hundred and Ninety Seven Thousand, Nine Hundred and Fifty Eight Ghana Cedis (GH¢71,997,958.00)** for the Ministry of Foreign Affairs and NEPAD for the fiscal year ending 31<sup>st</sup> December 2008.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be 'Asante Amoako-Atta', written over a horizontal dotted line.

**ASANTE AMOAKO-ATTA**  
CLERK, COMMITTEE ON  
FOREIGN AFFAIRS

A handwritten signature in black ink, appearing to be 'Christine Churcher', written over a horizontal dotted line.

**HON. CHRISTINE CHURCHER**  
CHAIRPERSON, COMMITTEE ON  
FOREIGN AFFAIRS

Appendix I

**MINISTRY OF FOREIGN AFFAIRS, REGIONAL INTEGRATION & NEPAD**  
**EXPENDITURE SUMMARY FOR 2007**  
**AS AT OCTOBER ENDING**

<b>ITEM</b>	<b>APPROVED BUDGET FOR 2007</b>	<b>ACTUAL EXPENDITURE AS AT OCTOBER 2007</b>	<b>VARIANCE</b>
Personnel Emolumment	309,692,000,000.00	285,150,372,270.00	24,541,627,730.00
Administration	227,467,000,000.00	222,876,773,820.00	4,590,226,180.00
Service	22,987,000,000.00	17,241,422,660.00	5,745,577,340.00
Investment	103,431,000,000.00	99,275,355,501.00	4,155,644,499.00
<b>Total</b>	<b>663,577,000,000.00</b>	<b>624,543,924,251.00</b>	<b>39,033,075,749.00</b>

# Appendix II

## SUMMARY OF EXPENDITURE BY FUNCTION PROGRAMME AND ITEM

(in GH cedis)

FUNCTION	P. E.	Admin.	Service	Investm.	Total GOS	P. E. Admin.		Service Investm.		Total GFI	F U N D S		P. E. Admin.	D O N O R	Service Investm.	Total Donor	Grand Total	
						0	1	0	1		0	1						0
Ministry of Foreign Affairs and NEPAD	33,992,915	21,428,147	2,298,596	7,240,199	62,960,958	0	2,024,000	0	1,912,000	3,036,000	0	0	0	0	0	0	0	71,997,158
Foreign Affairs Regional Administration	1,297,544	1,109,833	2,292,696	2,240,199	6,940,372	0	2,024,000	0	1,912,000	3,036,000	0	0	0	0	0	0	0	8,980,372
Africa and AU Bureau	0	0	486,831	0	486,831	0	0	0	0	0	0	0	0	0	0	0	0	486,831
Legon Centre for International Affairs	200,971	167,832	20,794	100,000	490,600	0	0	0	0	0	0	0	0	0	0	0	0	490,600
Estia and General Service Bureau	0	295,755	0	2,020,199	2,315,954	0	2,024,000	0	1,912,000	3,036,000	0	0	0	0	0	0	0	5,352,000
P. E. Office Students Union	65,905	20,313	2,419	40,500	128,235	0	0	0	0	0	0	0	0	0	0	0	0	128,235
APCA - Governing Council	216,500	194,630	512,263	80,400	1,024,793	0	0	0	0	0	0	0	0	0	0	0	0	1,024,793
Finance and Account Bureau	0	216,433	493,760	0	620,333	0	0	0	0	0	0	0	0	0	0	0	0	620,333
International Culture and Linguistic Bureau	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
International Organisation and Conf Bureau	0	0	591,760	0	591,760	0	0	0	0	0	0	0	0	0	0	0	0	591,760
Passport Division	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Human Resource and Administration	412,071	218,093	254,322	0	1,360,016	0	0	0	0	0	0	0	0	0	0	0	0	1,360,016
Large Missions	15,990,746	9,571,771	0	2,280,000	27,842,517	0	0	0	0	0	0	0	0	0	0	0	0	27,842,517
Amman Mission	434,000	252,055	0	0	687,055	0	0	0	0	0	0	0	0	0	0	0	0	687,055
Abuja Akaba Mission	459,932	316,425	0	0	1,176,357	0	0	0	0	0	0	0	0	0	0	0	0	1,176,357
Geneva Mission	1,267,765	701,115	0	0	1,977,880	0	0	0	0	0	0	0	0	0	0	0	0	1,977,880
Florida Mission	816,487	380,368	0	0	1,196,855	0	0	0	0	0	0	0	0	0	0	0	0	1,196,855
London Mission	1,843,083	1,519,900	0	1,600,000	4,962,983	0	0	0	0	0	0	0	0	0	0	0	0	4,962,983
Rome Mission	119,749	423,613	0	160,000	1,422,362	0	0	0	0	0	0	0	0	0	0	0	0	1,422,362
Paris Mission	807,804	459,922	0	0	1,267,726	0	0	0	0	0	0	0	0	0	0	0	0	1,267,726
Tripoli Missions	1,508,440	336,462	0	0	2,144,902	0	0	0	0	0	0	0	0	0	0	0	0	2,144,902
Moscow Mission	563,463	568,653	0	0	1,132,116	0	0	0	0	0	0	0	0	0	0	0	0	1,132,116
New York Mission	1,955,364	1,208,131	0	290,000	3,453,495	0	0	0	0	0	0	0	0	0	0	0	0	3,453,495
Geneva Mission	1,343,604	720,922	0	0	2,064,526	0	0	0	0	0	0	0	0	0	0	0	0	2,064,526
Bahia Mission	420,365	392,792	0	0	813,157	0	0	0	0	0	0	0	0	0	0	0	0	813,157
Abuja Mission	1,207,885	532,172	0	0	1,740,057	0	0	0	0	0	0	0	0	0	0	0	0	1,740,057
Washington Mission	1,875,835	1,191,441	0	380,000	3,447,276	0	0	0	0	0	0	0	0	0	0	0	0	3,447,276
Washington Missions	7,991,654	5,325,959	0	120,000	13,038,574	0	0	0	0	0	0	0	0	0	0	0	0	13,038,574
Frankfurt	317,098	272,573	0	0	590,377	0	0	0	0	0	0	0	0	0	0	0	0	590,377
Tripoli	383,428	562,954	0	0	946,382	0	0	0	0	0	0	0	0	0	0	0	0	946,382
London	412,609	268,173	0	0	680,782	0	0	0	0	0	0	0	0	0	0	0	0	680,782
Geneva	625,071	436,274	0	0	1,061,345	0	0	0	0	0	0	0	0	0	0	0	0	1,061,345
Canada	426,365	253,814	0	0	680,179	0	0	0	0	0	0	0	0	0	0	0	0	680,179
Corona	429,316	277,540	0	0	706,856	0	0	0	0	0	0	0	0	0	0	0	0	706,856
Havana	353,429	294,765	0	0	648,194	0	0	0	0	0	0	0	0	0	0	0	0	648,194
Geneva	365,137	244,112	0	0	609,249	0	0	0	0	0	0	0	0	0	0	0	0	609,249
Madagascar	549,973	263,064	0	0	813,037	0	0	0	0	0	0	0	0	0	0	0	0	813,037
Chad	634,840	622,654	0	0	1,257,494	0	0	0	0	0	0	0	0	0	0	0	0	1,257,494
Madagascar	323,615	215,640	0	0	539,255	0	0	0	0	0	0	0	0	0	0	0	0	539,255
Algeria	413,317	356,971	0	120,000	890,388	0	0	0	0	0	0	0	0	0	0	0	0	890,388
Algeria	399,828	309,510	0	0	709,338	0	0	0	0	0	0	0	0	0	0	0	0	709,338
Burkina Faso	499,524	263,621	0	0	763,145	0	0	0	0	0	0	0	0	0	0	0	0	763,145
Rabat	402,287	216,815	0	0	619,102	0	0	0	0	0	0	0	0	0	0	0	0	619,102
Dakar	373,413	214,133	0	0	587,546	0	0	0	0	0	0	0	0	0	0	0	0	587,546
Madagascar	349,903	227,813	0	0	577,716	0	0	0	0	0	0	0	0	0	0	0	0	577,716



FUNCTION	P. E. Admin.		Service		Investm.		Total GoG		P. E. Admin.		Service Investm.		Total IGF		GET ROAD		HIPC OTHERS		P. E. Admin.		
	F. L.	G	G	O	G	O	G	O	G	O	G	O	G	O	G	O	G	O	G	O	
Nairobi	406,232	118,798	0	0	0	0	0	0	524,999	0	0	0	0	0	0	0	0	0	0	0	524,999
Other Missions	11,443,493	7,421,853	0	0	2,600,000	0	0	0	21,165,335	0	0	0	0	0	0	0	0	0	0	0	21,165,335
New Delhi	583,281	485,857	0	0	0	0	0	0	1,069,138	0	0	0	0	0	0	0	0	0	0	0	1,069,138
Berna	840,599	653,219	0	0	0	0	0	0	1,493,819	0	0	0	0	0	0	0	0	0	0	0	1,493,819
Copenhagen	760,551	411,448	0	0	2,000,000	0	0	0	3,201,572	0	0	0	0	0	0	0	0	0	0	0	3,201,572
Kuala Lumpur	574,329	472,322	0	0	0	0	0	0	1,047,250	0	0	0	0	0	0	0	0	0	0	0	1,047,250
Belgrade	542,268	334,480	0	0	0	0	0	0	876,748	0	0	0	0	0	0	0	0	0	0	0	876,748
Breslavia	607,762	551,554	0	0	0	0	0	0	1,159,316	0	0	0	0	0	0	0	0	0	0	0	1,159,316
Brussels	634,448	375,817	0	0	0	0	0	0	1,010,265	0	0	0	0	0	0	0	0	0	0	0	1,010,265
The Hague	783,989	492,729	0	0	0	0	0	0	1,276,718	0	0	0	0	0	0	0	0	0	0	0	1,276,718
Nairobi	532,454	354,251	0	0	0	0	0	0	886,705	0	0	0	0	0	0	0	0	0	0	0	886,705
Prague	596,735	480,570	0	0	0	0	0	0	1,077,305	0	0	0	0	0	0	0	0	0	0	0	1,077,305
Ottawa	1,012,933	555,653	0	0	600,000	0	0	0	2,168,585	0	0	0	0	0	0	0	0	0	0	0	2,168,585
Kyushu	686,324	456,075	0	0	0	0	0	0	1,142,399	0	0	0	0	0	0	0	0	0	0	0	1,142,399
Seoul	533,043	521,616	0	0	0	0	0	0	1,054,659	0	0	0	0	0	0	0	0	0	0	0	1,054,659
Beiraviv	772,782	578,454	0	0	0	0	0	0	1,351,236	0	0	0	0	0	0	0	0	0	0	0	1,351,236
Madrid	834,385	472,302	0	0	0	0	0	0	1,306,687	0	0	0	0	0	0	0	0	0	0	0	1,306,687
Cambridge	511,719	443,465	0	0	0	0	0	0	1,057,125	0	0	0	0	0	0	0	0	0	0	0	1,057,125
<b>Grand Totals</b>	<b>33,961,916</b>	<b>21,428,417</b>	<b>0</b>	<b>0</b>	<b>2,581,999</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>89,389,929</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>89,389,929</b>

Notes: OTHERS include NHIS, ENERGY FUND AND DACE