



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

**REPORT OF THE COMMITTEE ON FOREIGN
AFFAIRS ON THE 2007 ANNUAL BUDGET
ESTIMATES OF THE MINISTRY OF FOREIGN
AFFAIRS, REGIONAL INTEGRATION AND NEPAD**

NOVEMBER 30, 2006

THE REPORT OF THE COMMITTEE ON FOREIGN AFFAIRS ON THE 2007 ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF FOREIGN AFFAIRS REGIONAL INTEGRATION AND NEPAD

1.0 INTRODUCTION

On Thursday, November 16, 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 31st December 2007. Consequent upon the motion for approval of the Government's Financial Policy and Budget Statement, the Draft Estimates of the Ministry of Foreign Affairs, Regional Integration 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 Officials of the Sector Ministry led by the Deputy Minister of Foreign Affairs Mr. Osei-Adjei Akwasi. The Committee acknowledges their representations and express its gratitude for their co-operation.

2.0 REFERENCE DOCUMENTS

References were made to the following documents:

- I. The 2007 Budget Statement and Financial Policy of the Government
- II. The Draft 2006 Annual Estimates of the Ministry of Foreign Affairs.
- III. The Standing Orders of the House.
- IV. The 1992 Constitution of Ghana.

3.0 MISSION STATEMENT

The Mission of Ministry of Foreign Affairs involves managing Ghana's relations with other states as well as international non-financial and trade institutions, and facilitate international support and assistance for Ghana's development agenda 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 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 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 Ministry are aimed at:

- I. Promote and protect the interest of Ghana.
- II. Provide efficient and effective consular services within and outside Ghana.
- III. Promote favourable conditions for Ghana's trade, foreign investment, tourism and to seek scientific, technological and cultural co0operation with other countries and institutions.
- IV. Promote fruitful political and economic relations with all countries especially Ghana's neighbouring countries in the interest of peace, stability and economic development.
- V. Play a positive and creative role in international organizations to which Ghana belongs.
- VI. Upgrade the Ministry's human and institutional capacity for the efficient execution of Ghana's foreign policy objectives.
- VII. Forestall external aggression, safeguard territorial integrity and contribute to international peace keeping efforts.
- VIII. Promote 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. Improve Ghana's position in global and regional markets.
- X. Enhance access to export markets for both women and men.

5.0 REVIEW OF THE MINISTRY'S PERFORMANCE IN 2006

In the year under review, the Ministry of Foreign Affairs was allocated the sum of **Five Hundred and Thirty Billion, Five Hundred and Twenty-Seven Million Cedis** (¢ 530,527,000,000.00). The breakdown of the allocation with respect to the items are:

		GOG	IGF
Personnel Emoluments	-	270,000,000,000.00	-
Administration	-	146,977,000,000.00	4,512,000,000.00
Service	-	11,777,000,000.00	10,529,000,000.00
Investment	-	86,732,000,000.00	-
Total	-	515,486,000,000.00	15,041,000,000.00

The amount as allocated by the Ministry of Finance represented (MOF) represented 33% 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, medical care, utility and telecommunications bills and to purchase some landed properties for the Missions abroad and pursue vigorous investment drive to win investments for Ghana.

5.1 THE MINISTRY'S OPERATIONS IN 2006

The amount allocated the Ministry under item II was woefully inadequate and made it impossible for many of its Missions abroad to carry out their programmed activities smoothly. A number of the Missions were also threatened with ejection for non-payment of rent.

Against the backdrop of the foregoing, the Ministry in May 2006, applied to the Ministry of Finance to draw the amount of ₵25,435,589,936.28 from its investment activity vote (item 4) and to reallocate the funds to eight financially distressed Ghana Missions abroad, for utilization under item II. This development further exacerbated the critical financial situation of the Ministry.

Again, since many Missions pay their rents in advance and also pay their utility bills as and when they are due, cuts in remittances to Missions caused serious hardships to them.

5.2 ACHIEVEMENTS IN 2006

Notwithstanding this financial constraints the Ministry managed to implement the following programmes in the 2006 fiscal year:

- Renovated the State Lodge in Kumasi at the cost of **₵5,019,245,,455.00.**
- Purchased 400 tons Trane Chillers for the Accra International Conference Centre at the cost of **₵8,976,352,000.00.**
- Replaced broken down furniture in the main Ministry with new ones at the cost of **₵750,000,000.00.**
- Paid off newly acquired residency buildings for Ambassadors at the Rabat and Tel Aviv Missions and the Chancery building at the Tokyo and Tripoli Missions.
- The Ministry also commenced work on the new Chancery buildings for Cotonou and Bamako Missions.
- Washington and New York Missions also received funds to carry out renovation works at their respective Chanceries.
- Successfully recruited 95 officers into the various branches of the Ministry.

6.0 EXPENDITURE ESTIMATES OF THE MINISTRY OF FOREIGN AFFAIRS FOR THE YEAR 2007

The Sector Ministry was allocated a budgetary sum of **Six Hundred and Seventy Eight Billion, Nine Hundred and Fifty Six Million Cedis (¢678,956,000,000.00)** made up of **Six Hundred and Sixty Three Billion, Five Hundred and Seventy Eight Million Cedis (¢663,578,000)** Government of Ghana (GOG funds) and Internally Generated Funds of **Fifteen Billion, Three Hundred and Seventy Eight Million Cedis (¢15,378,000,000)**. The amount falls short of the Ministry's projected budgetary requirement of **¢2,219,294,419,895.56**, about **70%** shortfall.

The departmental breakdown of the Ministry's budgetary allocations for year 2007 are as follows:

		GOG	IGF
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
Total	-	663,577,000,000.00	15,378,000,000.00

The departmental breakdown of the Ministry's budgetary allocation is as appendix I.

7.0 OBSERVATIONS AND RECOMMENDATIONS

The Committee noted that the amount of **Six Hundred and Seventy Eight Billion, Nine Hundred and Fifty Six Million Cedis (¢678,956,000,000.00)** allocated the Ministry, represents only 30% of its requirements for 2007.

7.1 Freight Allowance

The Committee noted that under Administration, Freight allowances for serving officers in Ghana's Diplomatic Missions abroad instituted eight years ago are no where near the actual freight rates charged for shipment.

The Committee is of the view that following complaints from Missions on the financial burden that the outdated allowances imposes on officers, the Freight Allowance of the Ministry of Finance and Economic Planning should be looked into and upgraded.

7.2 Internally Generated Fund

The Committee took cognisance of the fact that the Ministry has been granted a fixed retention sum of 1.5 billion from its Internally Generated Funds. The committee is of the considered opinion that the amount is grossly inadequate and urges the Ministry of Finance and Economic Planning to increase the allocation.

7.3 Special Collection Fund

With respect to the Ministry's Special Collection Account, it was noted that the account includes the contributions of foreign service officers at post towards rents on their accommodation and utility bills i.e. electricity and telephone bills.

The Committee urges the Ministry of Finance and Economic Planning to take out the rent and utility bills from the Special Collection Account.

7.4 Construction of New Premises for the Ministry

The Committee also noted that approval has been given for the construction of a new office complex at the site of the Old International Students Hostel.

It is the desire of the Committee that funds would be released urgently for the timely completion of this project.

7.5 National Passport

The committee took cognizance of fraud and duplication associated with the current national Passport in circulation. It therefore edges the Ministry to speed up the process of introducing a new National Passport with all the necessary enhanced security features that would meet required international standards.

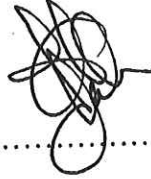
8 CONCLUSION

The Committee urges the Ministry of Finance and Economic Planning to consider at the appropriate time, a supplementary budget for the Ministry of Foreign Affairs since the budgetary shortfall would probably subvert its programmes and activities of the Ministry. The Committee however recommends that the House approves the sum of **Six Hundred and Seventy Eight Billion, Nine Hundred and Fifty Six Million Cedis (¢678,956,000,000.00)** for the Ministry of Foreign Affairs for the fiscal year ending 31st December 2007.

Respectfully Submitted.



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ASANTE AMOAKO-ATTA
CLERK, COMMITTEE ON
FOREIGN AFFAIRS



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HON. KWABENA ADUSA OKERCHIRI
CHAIRMAN, COMMITTEE ON
FOREIGN AFFAIRS

LOCATION	P. E.		G O		G		F		P. E.		HPC OTHERS		P. E.		Service Investm.		Total IGF	
	Admin.	Service Investm.	Admin.	Service Investm.	Admin.	Service Investm.	Admin.	Service Investm.	Admin.	Service Investm.	Admin.	Service Investm.	Admin.	Service Investm.	Admin.	Service Investm.		
Other Missions	95,158	70,875	1,744	41,175	208,951	0	0	0	0	0	0	0	0	0	0	0	0	0
New Delhi	4,707	3,744	109	600	9,159	0	0	0	0	0	0	0	0	0	0	0	0	0
Berne	6,421	4,447	109	5,570	16,547	0	0	0	0	0	0	0	0	0	0	0	0	0
Copenhagen	7,093	4,042	109	5,590	16,833	0	0	0	0	0	0	0	0	0	0	0	0	0
Kuala Lumpur	4,895	4,638	109	182	9,824	0	0	0	0	0	0	0	0	0	0	0	0	0
Belgrade	4,752	3,296	109	1,012	9,170	0	0	0	0	0	0	0	0	0	0	0	0	0
Brasilia	4,617	4,209	109	4,734	13,569	0	0	0	0	0	0	0	0	0	0	0	0	0
Brussels	5,713	3,782	109	3,765	13,369	0	0	0	0	0	0	0	0	0	0	0	0	0
The Hague	6,884	4,830	109	182	12,005	0	0	0	0	0	0	0	0	0	0	0	0	0
Havana	5,446	3,488	109	686	9,730	0	0	0	0	0	0	0	0	0	0	0	0	0
Prague	5,107	4,716	109	4,386	14,318	0	0	0	0	0	0	0	0	0	0	0	0	0
Ottawa	9,055	5,439	109	2,384	16,987	0	0	0	0	0	0	0	0	0	0	0	0	0
Riyadh	6,052	4,466	109	6,176	16,803	0	0	0	0	0	0	0	0	0	0	0	0	0
Seoul	5,460	5,111	109	1,534	12,215	0	0	0	0	0	0	0	0	0	0	0	0	0
Tel Aviv	6,787	5,661	109	3,746	16,303	0	0	0	0	0	0	0	0	0	0	0	0	0
Madrid	6,726	4,632	109	182	11,649	0	0	0	0	0	0	0	0	0	0	0	0	0
Camberra	5,442	4,374	109	446	10,371	0	0	0	0	0	0	0	0	0	0	0	0	0
Regional Co-operation and NEPAD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
School Feeding Programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand Totals	309,692	227,467	22,987	103,431	663,577	0	4,813	0	0,755	0	0	0	0	0	0	0	0	0

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