

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

**REPORTS ON THE
COMMITTEE ON FOREIGN
AFFAIRS ON THE 2017
ESTIMATION OF THE
MINISTRY OF FOREIGN
AFFAIRS AND REGIONAL
INTEGRATION**

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

**REPORT OF THE FOREIGN AFFAIRS COMMITTEE ON THE
ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF FOREIGN
AFFAIRS AND REGIONAL INTEGRATION FOR THE 2017
FINANCIAL YEAR.**

1.0 INTRODUCTION

The Budget Statement and Economic Policy of the Government of Ghana for the 2017 Financial Year was presented to the House on Thursday 2nd March, 2017 by the Minister for Finance Mr. Ken Affori Ata. The Estimates of the Ministry of Foreign Affairs and Regional Integration were referred to the Committee on Foreign Affairs for consideration and report in accordance with Article 103 (3) of the Constitution and Order 140(4) of the Standing Orders of the House

Pursuant to the referral, the Committee met and discussed the Estimates of the Ministry of Foreign Affairs and Regional Integration with the Hon. Minister for Foreign Affairs and Regional Integration, Madam Shirley Ayorkor Botchway and Officials from the Ministry of Finance and the Minister for Foreign Affairs and hereby presents this report.

2.0 REFERENCE DOCUMENTS

In considering the Estimates of the Ministry of Foreign Affairs the Committee referred to the following:

1. The 1992 Constitution of the Republic of Ghana;
2. Standing Orders of Parliament;

3. The Budget Statement and Economic Policy of the Government for the 2017 Financial Year; and
4. The 2017 Estimates of the Ministry of Foreign Affairs & Regional Integration.

3.0 ACKNOWLEDGEMENT

The Committee wishes to acknowledge the Hon. Minister of Foreign Affairs, Madam Shirley Ayorkor Botchway for providing able leadership to the Ministry in the course of the deliberations of the Committee.

The Committee further wishes to thank the Acting Chief Director, Mr. Edwin N. Adjei and Officials of the Ministry for assisting the Committee to carry out its mandate.

3.0 BACKGROUND

In line with the GSGDAI policy objectives, the Ministry of Foreign Affairs and Regional Integration exists to collaborate with relevant MDAs to diversify and increase exports, accelerate economic and Social integration with other regional and Sub- Regional States and promote rules- based and equitable International trading system.

Furthermore it is to promote International peace and sustainable development as well as leverage economic and technological opportunities for sustainable development and optimise the potential impact of migration for Ghana's development.

In pursuance of this Mandate, the Ministry has set for itself a protected goal to improve Ghana's Foreign Interest that is competitive globally and effectively accelerate economic integration with other Regional and Sub Regional States to place Ghana on a path of sustained accelerated growth and poverty reduction.

The primary functions of the Ministry include:

- To initiate, formulate, coordinate and implement Ghana’s Foreign policy objectives
- Advance Ghana’s Economic Interest by working with other MDAs for the promotion of “made in Ghana” brand and expansion of trade, Tourism and inward investment
- Coordinate Ghana’s contribution to regional integration for the promotion and protection of the National interest
- Develop and coordinate Ghana’s position at multilateral fora to ensure that the outcomes serve Ghana’s interest to the greatest extent possible
- Develop and maintain cordial bilateral relations with friendly Countries in all fields of endeavors
- Develop institutional frameworks including joint commissions for corporation and bilateral consultations mechanisms for the conduct of productive and mutually beneficial relations
- Collaborate closely with the Attorney General’s office for the establishment of an integrated legal service within the Ministry and maximize Ghana’s representation and participation in international legal fora and related bodies

3.1 The Mission and Vision

The Ministry is the principal organ of state responsible for advising government on the formulation of the nation’s foreign policy, and implementing its objectives in the most efficient and cost effective manner. Its vision is to build a well-resourced Ministry capable of establishing, developing and sustaining international goodwill, solidarity, and attracting support from development partners for national development.



3.2 AGENCIES UNDER THE MINISTRY

In order to achieve its goals and objectives, The Ministry relies on the following Agencies in the pursuit of its mandate;

- The Headquarters
- Fifty-Seven (57) Ghana Diplomatic Missions and Consular Posts abroad and three subvented organizations as follows:
- National African Peer Review Mechanism-Governing Council (NAPRM-GC)
- Legon Centre for International Affairs and Diplomacy (LECIAD)
- All Africa Students' Union (AASU)

The Ministry of Foreign Affairs and Regional Integration, relies on the above mentioned agencies for the supervision of specific operational functions including:

- ❖ formulating and executing Ghana's foreign policy in order to achieve the objectives therein;
- ❖ organizing intensive monitoring of activities;
- ❖ Undertaking sensitization and dissemination exercises on the African Peer Review Mechanism;
- ❖ training Foreign Service Officers and other public servants in international affairs and diplomacy;
- ❖ and fostering co-operation among African Students and educational institutions.

4.0 PERFORMANCE IN 2016

In pursuit of its mandate the Ministry of Foreign Affairs and Regional Integration during the year under review achieved the following among others:

4.1 *International Cooperation Programme*

To consolidate gains made in strengthening relations with Ghana's neighbors, the Ministry facilitated Ghana's participation in the 49th Summit

of the Authority of ECOWAS Heads of State and Government in Senegal, the visit of the Liberian President to Ghana, and the participation of Ghana's delegation in the investiture of the President of Benin. Ghana also coordinated the efforts at promoting the African Agenda and collaborated with sister African States to promote peace, stability and economic development on the continent.

Furthermore the Ministry facilitated Ghana's assessment by the Intergovernmental Action Group against Money laundering in West Africa in September, 2016. Through this exercise, Ghana became the first member of ECOWAS to be assessed under the mechanism.

4.2 *Welfare of Ghanaians*

In furtherance to the fulfilment of its mandate to protect our Nationals, Ghana's missions facilitated the repatriation of over 148 Ghanaians with Kuwait and Saudi Arabia repatriating 82 and 43 Ghanaians respectively. Again, to save the dignity of our departed compatriot and the honour of Ghana, Ghanaian communities were assisted in various forms including funds to bury 31 deceased nationals in accordance with our traditional cultural and religious beliefs. During the year under review 22 Ghanaians were brought home under supervised deportations whilst our mission in Washington made an official complaint against an unannounced deportation to Ghana of some Nationals which was carried out without the mission's involvement against accepted protocols.

4.3 *Passports Administration in Ghana*

During the year under review, the Passport office faced mechanical challenges including the breakdown of its industrial printers in the course of its operation in the first quarter of the year under review, it was however able to surmount it and produced Two Hundred and Sixty two (262) diplomatic, Two Hundred and Sixty – one thousand, seven hundred and

ninety two (261,792) ordinary passports and 149 service passports during the period under review. The Ministry intends to add four Passport Application centers in the country namely, Eastern Region, Western Region, Upper East Region and Upper West Regions of Ghana

4.4 *Printing of Biometric Passports at Ghana's Mission Abroad.*

The Passport office has since June 2016 been receiving biometric Passport applications for approval and subsequent printing at the six missions abroad (Pretoria, Washington DC, New York, Abuja, London and Berlin) approved at passports processing centers. This is in fulfillment of the Ministry's function of improving the quality of consular services provided by the Ministry and its diplomatic missions and consular post as well as maintaining close contact with Ghanaian communities around the world including immigrant groups abroad.

4.5 *Establishment of a Consulate in Istanbul*

During the year under review the Ministry successfully opened a consulate in Istanbul, Turkey to further enhance the provision of consular services to Ghanaian and non- Ghanaian alike in that region of Turkey. It is hoped that the establishment will lead to increased interaction between our compatriots and other nations. This will lead to increased foreign direct investment to Ghana and bilateral trade and economic relations between Ghana and Turkey.

4.6.1 *Proposed Online Passport Application Project in Ghana and Ghana Missions abroad.*

To facilitate the establishment of the online application process in Ghana to enhance passport service delivery, the former Hon. Minister set up a committee to engage prospective banks on specific terms to enable the ministry settle on two or three Banks that will be deployed on an online biometric passport processing platform. The Banks that have been engaged

on this are GCB, Zenith Bank and Ecobank on a pilot basis to implement online passport processing in Accra.

4.4 *The upgrade of 2D Barcode biometric passport to chip embedded biometric Passport project.*

The Ministry has embarked on a project to upgrade the current Biometric Passport to meet international standards therefore it has decided to move from 2D Bar Code to chip –embedded travel documents.

5.0 2016 BUDGET ALLOCATION AND EXPENDITURE RETURNS

The Ministry of Foreign Affairs and Regional Integration was allocated an amount of **Three Hundred Million, Eight Hundred and Ninety Three Thousand, One Hundred and Eighty Three Ghana Cedis (GH¢300,893,183.00)** for the 2016 financial year as follows:

GOG Sources - GH¢ 234,085,340.00
 IGF - GH¢ 66,807,843.00
 Total - GH¢ 300,893,183.00

The allocation was in respect of the following: Table 1

NO	COST CENTRE	GOG (GH¢)	IGF (GH¢)	TOTAL (GH¢)
1	Compensation for Employees	221,908,595.00	0.00	221,908,595.00
2	Goods and Services	12,176,745	49,093,934.00	61,270,679.00
3	Capital Expenditure	0	17,713,909.00	17,713,909.00
4	Total Allocation	234,085,340.00	66,807,843.00	300,893,183.00

As at 31st December, 2016 an amount of **GH¢244,237,943.63** was spent. The Expenditure is in respect of the following:

Compensation for employees - GH¢**220,225,721.60**
 Goods and Services - GH¢24,012,222.00

Capital Expenditure	-	GH¢ 000
TOTAL	-	GH¢ 244,237,943.63

The detail breakdown of allocation and expenditure as at 31st December, 2016 is as follows:

5.1 Summary of 2016 expenditure returns of Ministry of Foreign Affairs (Table 2)

SN	Cost Centre	2016 Approved Budget (GHC)	Actual Expenditure as at December, 2016 (GHC)	Variance (GHC)
1	Compensation	221,908,594.00	220,225,721.60	1,682,872.37
2	Goods and Services	61,270,679.00	24,012,222.00	37,258,457.00
3	Capital Expenditure	17,713,909.00	Nil	17,713,909.00
	Total	300,893,182.00	244,237,943.63	56,655,238.37

6.0 OUTLOOK FOR 2017

7.0 In the 2017 financial year, the Ministry of Foreign Affairs intends to carry out the following activities:

- a. Strengthen Ghana's bilateral diplomacy by leveraging its democratic and governance credentials to promote political and economic interest abroad;
- b. Sustain a fund of trust and goodwill among principal political and economic actors abroad in order to influence and promote favourable perceptions about Ghana
- c. To promote the diversification and increase of exports and markets by working with other MDAs to promote new goods and services

- d. Facilitate the participation of Ghanaian companies in trade fairs abroad and vice versa
- e. Participate and report on multilateral and trade meetings in order to take full advantage of preferential access to markets abroad
- f. To market Ghana abroad as a preferred tourist destination

7.1 2017 BUDGET ALLOCATION TO THE MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTERGRATION

For the implementation of its planned programmes and activities, the Ministry of Foreign Affairs and Regional Integration has been allocated an amount of **Three Hundred and Ninety-Eight Million, Six Hundred and Seventy-Six Thousand, and Six Hundred and Thirty- Two Ghana Cedis (GHC398, 676,632)** Out of this amount, an amount of **GHC 42,417,313** and **GHC 51,570,645** is to be retained from their IGF for Goods and Services and Assets expenditure respectively, while the remaining **GHC 304,688,674** is allocated from GOG source for the 2017 financial year. The allocation will be disbursed among the various cost centers as follows:

Compensation for Employees	-	GHC 266,729,380
Goods and Services	-	GHC 32,959,294
Capital Expenditure	-	GHC 5,000,000
IGF	-	GHC 93,987,958
Total	-	GHC 398, 676,632

The allocation to the Ministry of Foreign Affairs recorded an increase of **GHC398, 676,632** or **0.13%** increase which represents (0.73%) of the total National budget compared to 0.60% of total National budget allocated to the Ministry in 2016. The detailed analysis of the 2016 and 2017 allocations is as follows:

Table 3: The Ministry's 2016 Allocation as Against 2017 Allocation

SN	Cost Centre	2016 Allocation (GH¢)	2017 Allocation (GH¢)	Variance (GH¢)
1	Compensation of Employee	221,908,594.00	266,729,380	44,820,786
2	Goods and Services	-	32,959,294	
3	Capital Expenditure	17,713,909.00	5,000,000	(12,713,909)
4	IGF	61,270,679.00	93,987,958	(15,237,198)
TOTAL		300,893,182.00	398,676,632	

9.0 OBSERVATIONS AND RECOMMENDATIONS

The Committee carefully scrutinized the estimates of the Ministry of Foreign Affairs and made the following observations:

Reduction in IGF Retention

The Committee noted that the Ministry of Foreign Affairs and Regional Integration had projected to collect the sum of GHS149,831,338.93 as IGF from its mission operations abroad. The Amount will be realized from the following operations of the Ministry:

Visa issuance	-	GHC 85,149,981.12
Issuance of passports for Ghanaians	-	GHC 31,639,733.66
Authentication services	-	GHC 31,775,361.89
Refunds	-	GHC 1,216,262.26
Total	-	GHC149,831,338.93

The Committee noted that the 2017 budget Statement allows the Ministry to retain only GHC51,570,645 of the total IGF projection for the year 2017. This was in sharp contrast of the 100% given to the Ministry over the years. The representative of the Ministry of Finance at the meeting explained to the Committee that, as part of a new IGF retention policy of the Ministry of Finance, the Ministry of Foreign Affairs was not permitted to retain 100% of its IGF for 2017.

The Ministry got to know about this shocking development at the meeting and informed the Committee that the reduction will have significant adverse impact on the smooth operation of Ghana's missions abroad. The Committee was further informed that missions that generate IGF are allowed to retain 35% and the remaining 65% is paid into a holding account for the upkeep of other less endowed missions. They indicated that the idea was to create a pool of fund from which other embassies and missions that incur cost but generate less resources could be funded.

The Committee was also informed that funds that accrue to the holding account are also used to service the credit facility the Ministry secured to carry out renovation work and upgrade facilities at its missions and embassies.

The Committee is of the view that putting a cap on the IGFs usage of the Ministry of Foreign Affairs will not only effect the smooth operation of our missions abroad but will also make the Ministry default in its debt service obligations to Societe Generale. The House will recall that approval was given for the Ministry to acquire a Fifty Million Dollars (US\$50 Million) loan facility from SG SSB to finance the rehabilitation and construction of new offices for our Missions abroad.

The Committee therefore wishes to strongly recommend to the Minister of Finance to carefully examine the peculiarity of the operations of the Ministry of Foreign Affairs and exempt it from the new policy

Chip Embedded Biometric Passports

The Committee noted that to help reduce drastically the possibility of identity thefts and resultant misrepresentations that is commonly used to endanger the security of persons in society, The Ministry of Foreign Affairs has decided to upgrade her current generation of passports from 2D barcode to chip embedded which is the current international best practice in Passport administration. The project is to be undertaken on a Build Operate Transfer (BOT) arrangement. The project aims to equip the passport office in Ghana and the missions abroad and create the capacity to issue International Civil Aviation Organisation (ICAO) compliant chip embedded biometric passports that incorporate upgraded security features, to implement an integrated and automated passport application system to replace the current system and render first rate services to Ghanaian passport applicants.

Shortfalls in Remittances

The Ministry informed the Committee that a major challenge has been the shortfalls in remittances sent to Missions abroad by Government. The Ministry stated that the shortfall has been due to the frequent depreciation of the Cedi against the five major currencies mostly used by the Ministry such as the CFA, the Canadian Dollar, the United States Dollar, the Pounds Sterling and the Euro.

The Committee therefore wishes to recommend to the Ministry of Finance to consider an innovative formula that can guarantee stable value as well as eliminate the shortfalls associated with currency fluctuations currently experienced by the Ministry.

Insufficient Funding of Missions abroad

The Committee observe with worry the inadequate allocations made to the Ministry and its negative consequences on the ability of the Ministry and our Mission to attract the much needed foreign investments into our country. The Committee wishes to recommend to the Minister of finance and Government to properly resource the Ministry to enable it play its pivotal role of modern economic diplomacy.

Need to provide Leadership on Global Immigration Issues

The Committee observed with discomfort the recent developments of unwarranted attacks, arrest, dehumanizing, illegal arrest and detention as well as unfair deportation of people of African descent including Ghanaians in Europe, the Americas and Asia, especially in the Gulf region. African leaders have been silent for quite too long and these crimes are mostly being committed against our people by minorities in these countries with xenophobic inclinations. These few people do not represent the general opinions of the people of their countries.

Ghana is long noted for its role in shaping global and international policies and struggle to free people of African descent.

The Committee therefore wishes to urge H.E. President Addo Dankwa Akufo Addo and the government to rise up to the challenge and moral responsibility of initiating the much needed dialogue on various international platforms both within Africa and the intercontinental levels in order to arrest the hopelessness of the African people in the global arena and to restore the dignity of the African in the community of nations.

Delays in Release of Funds for Ghanaian Students abroad

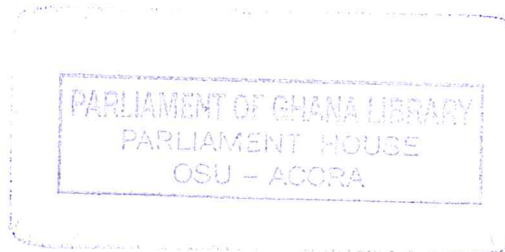
The Committee noted with sadness delays in the release of remittances to Ghanaian students studying abroad and the embarrassment it causes our country whenever the students are shown foreign media demonstrating in front of our embassies abroad.

The Committee therefore wishes to urge the Ministry of Finance to ensure timely release of funds to the agencies involved including the GETFund and the Scholarship Secretariat to enable them transfer remittances to Ghanaian students abroad to enable them focus on their studies and also save Ghana any further international embarrassment.

1.0 CONCLUSION

The Committee, having carefully examined the 2016 Annual Estimates of the **Ministry of Foreign Affairs and Regional Integration**, recommends to the House to adopt its report and approve the sum of **Three Hundred and Ninety- Eight Million, Six Hundred and Seventy-Six Thousand, and Six Hundred and Thirty- Two Ghana Cedis (GHC398, 676,632)** for the running of the **Ministry of Foreign Affairs and Regional Integration** for the 2017 financial year.

Respectfully submitted.




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HON. PATRICK BOAMAH
CHAIRMAN,
(FOREIGN AFFAIRS COMMITTEE)


.....
INUSAH MOHAMMED (ALHAJI)
(CLERK TO THE COMMITTEE)

March, 2017