

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

**REPORT OF THE COMMITTEE ON  
WORKS AND HOUSING**

*ON THE*

**2013 ANNUAL BUDGET ESTIMATES  
OF THE MINISTRY OF WATER  
RESOURCES, WORKS AND  
HOUSING**

## 1.0 INTRODUCTION

1.1 The Budget Statement and Economic Policy of the Government for the fiscal year ending 31<sup>st</sup> December 2013 was presented to Parliament by the Hon. Minister for Finance and Economic Planning, Mr. Seth Terkper on Tuesday, 5<sup>th</sup> March, 2013 in fulfillment of Article 179 of the 1992 Constitution.

In accordance with Order 140(4) of the Standing Orders of Parliament, the Rt. Hon. Speaker referred the Annual Budget Estimates of the Ministry of Water Resources, Works and Housing to the Committee on Works and Housing for consideration and report.

1.2 The Committee subsequently met on Monday, 18<sup>th</sup> March 2013 and considered the referral. The Hon. Minister for Water Resources, Works and Housing, Alhaji Collins Dauda, officials of the Ministry of Water Resources, Works and Housing, Ministry of Finance and Economic Planning (MOFEP) and the under-listed Departments and Agencies under the purview of the Ministry of Water Resources, Works and Housing attended the Committee's sitting to provide clarifications on the Estimates:

- a. Rent Control Department;
- b. Department of Rural Housing;
- c. Public Works Department;
- d. Water Resources Commission;
- e. Hydrological Services Department;
- f. Community Water and Sanitation Agency;

- g. Ghana Water Company Limited;
- h. Architects Registration Council; and
- i. Public Servants Housing Loans Scheme Board.

The Committee is grateful to the Hon. Minister and his team for their assistance during its deliberations.

## **2.0 REFERENCE DOCUMENTS**

The Committee availed itself of the following documents during its deliberations on the Budget Estimates:

- a. The 1992 Constitution of the Republic of Ghana.
- b. The Standing Orders of the House.
- c. The Budget Statement and Economic Policy of the Government for the 2012 Financial Year.
- d. The Budget Statement and Economic Policy of the Government for the 2013 Financial Year.

## **3.0 MISSION STATEMENT OF THE MINISTRY**

The Ministry of Water Resources, Works and Housing exists to formulate and implement policies and programmes for the provision of adequate, secure and affordable housing, other landed properties, potable water; and the development of infrastructural facilities with regard to water and flood control systems, water related sanitation, drainage, coastal protection works and operational hydrology for the benefit and improvement of the welfare of all people living in Ghana.

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

The following objectives have been outlined by the Ministry for the attainment of its Mission. These include the:

- a) provision and facilitation of access to adequate, affordable potable water; adequate, secure and affordable housing, control systems, water related sanitation and drainage systems;
- b) promotion of rural and urban infrastructural development and the provision of basic services;
- c) provision, maintenance and protection of public property and infrastructure;
- d) promotion and facilitation of private sector participation in housing, potable water and safe sanitation delivery; and
- e) support of creative and innovative ways in the production and use of local building material among others.

#### **5.0 DEPARTMENTS AND AGENCIES UNDER THE MINISTRY**

The Ministry seeks to achieve its objectives through the combined efforts of the under-listed Departments and Agencies in the three sub-sectors:

##### **a. Housing**

- i. Rent Control Department (RCD)
- ii. Department of Rural Housing (DRH)
- iii. Public Servants Housing Loan Scheme Board (PSHLSB)

iv. Architects Registration Council (ARC)

**b. Works**

- i. Public Works Department (PWD)
- ii. Hydrological Services Department (HSD)

**c. Water**

- i. Water Resources Commission (WRC)
- ii. Community Water and Sanitation Agency (CWSA)
- iii. Ghana Water Company Limited (GWCL)

**6.0 PERFORMANCE IN YEAR 2012**

6.1 For year 2012, an amount of **Two Hundred and Eighty-Three Million, One Hundred and Seventy-Six Thousand and Fourteen Cedis (GH¢283,176,014.00)** was allocated to the Ministry. The breakdown is as follows:

	GH¢
<b>Government of Ghana</b>	51,318,428.00
<b>Internally Generated Fund (IGF)</b>	1,611,880.00
<b>Annual Budget Funding Amount (ABFA)</b>	21,000,000.00
<b>Donor</b>	<u>209,245,706.00</u>
<b>T O T A L</b>	<u>283,176,014.00</u>

6.2 The breakdown of the GoG allocation and actual releases for year 2012 is shown in table 1.

**Table 1**

**GoG Budgetary Allocation and Releases for 2012**

<b>EXPENDITURE ITEM</b>	<b>2012 ALLOCATION (GH¢)</b>	<b>ACTUALS (GH¢)</b>	<b>VARIANCE (GH¢)</b>
<b>COMPENSATION</b>	10,812,904.00	25,745,702.09	-15,833,873.42
<b>GOODS AND SERVICES</b>	1,837,524.00	556,772.73	1,127,626.10
<b>ASSETS</b>	38,668,000.00	96,629,715.11	-60,824,048.44
<b>TOTAL</b>	<b>51,318,428.00</b>	<b>122,932,189.93</b>	<b>-71,613,761.</b>

The Committee noted that although an amount of GH¢51,318,428.00 was allocated to the Ministry of Water Resources, Works and Housing from GoG funds for 2012, actual releases made to the Ministry was GH¢122,932,189.93.

For Compensation, an amount of GH¢10,812,904.00 was allocated to the Ministry. However, actual releases made to the Ministry was GH¢25,745,702.09. For Goods and Services, only GH¢556,772.73 representing 30.3% of an allocation of GH¢1,837,524.00 was released. It is worth noting that the amount of GH¢96,629,715.11 released to the Ministry for Assets included the ABFA budgetary component.

The notwithstanding the above, the Ministry continued with its mandate of ensuring efficiency in the management of the country's water resources and the promotion and sustainable delivery of urban and rural physical facilities in housing, water and sanitation.

## The Water Sub-sector

1. In line with the above, a Riparian Buffer Zone Policy was developed by the Water Resources Commission to guide the planting of vegetation along water bodies to conserve and preserve degraded water bodies.
2. Operation licenses were issued to eighteen major water users in the mining, irrigation, aquaculture and industrial sectors and seventeen drilling companies by the Water Resources Commission in the efforts to monitor water usage in the country.
3. Feasibility work was also completed for the rehabilitation of thirteen (13) Small Town Water Supply Systems in Bole, Bimbilla, Chereponi, Daboya, Gushiegu, Nalerigu, Saboba, Salaga, Tinga, Wulensi and Zabzugu all in the Northern Region.
4. Under the four-year Potable Water Supply and Sanitation Project, aimed at improving access to sustainable water and sanitation services for 300,000 people in 22 districts in Brong Ahafo Region, 550 boreholes were drilled and fitted with hand pumps; 15 small towns' piped system are at 75 percent completion stage, 20 hand dug wells at 80per cent completion stage and 101 institutional latrines are also at 70 percent completion stage.
5. The Water and Sanitation Component of the Local Services Delivery and Governance Programme (LSDGP) also constructed 404 new boreholes, rehabilitated 65 boreholes and 2 piped schemes; and completed 40 rainwater harvesting schemes and 8 piped schemes based on ground water.

In addition, surface based piped schemes were extended to 37 communities in the Greater Accra Region and are at 80per cent completion stage, while 156 institutional latrines as well were completed. The Rural Water Supply Project also drilled and fitted with hand pumps, one thousand boreholes.

6. Under the Cocoa Borehole Project, the Ghana Cocoa Marketing Board (COCOBOD) drilled 1,120 boreholes and fitted 972 with solar operated hand pumps, to improve access to potable water for 3,000 rural communities, in cocoa, coffee and shea nut growing areas.
7. Construction works on the Kumasi water supply system to expand the capacity from 24million gallons per day to 30 million gallons per day is 90 percent completed. Whiles, the Mampong water supply project to add 1.76mgd of water to the supply is on-going.
8. The Kpong Water Supply Expansion Project has been substantially completed. Works on the booster station, reservoir at Dodowa and the Treatment Plant at the Junior Staff quarters have also been completed.

#### The Works Sub-sector

- a. The Ministry undertook the construction of primary storm water drains at Sakaman, Nima, Lashibi-Sakumono , Goaso and Mim to improve sanitation and reduce the perennial flooding that plagues these communities.



- b. The 1.5km Sea defence works to protect the stretch of the coast at Atorkor-Dzita-Anyanui and Sakumonoare at completion stages. The Ada Sea Defence project was started in 2012.
- c. The National Flood Control Programme developed and tested an early warning flood alert system for the White Volta Basin and also commenced the flood forecasting during the recent water spillage from the Bagre Dam in Burkina Faso.

### The Housing Sub-sector

- i. The Public Servants Housing Loan Scheme Board was provided funds by the Government to the tune of GH¢2 million for the purchase, completion and development of housing projects to Public and Civil Servants throughout the country. In addition to their revolving fund of GH¢1 million, the funds enabled public sector workers purchase 41 SSNIT Flats/Estates, to complete 60 houses and initiate works on 180 houses.
- ii. The Rent Control Department resolved 27,200 complaints and referred 552 to the rent magistrate out of a total of 28,452 complaints received from tenants and landlords. The department opened 9 new offices across the country in areas identified with high rent related cases. A 2-storey Regional Rent Office and a single storey office building are under construction at Wa and Jirapa respectively to enhance the operations of the Department in the Upper West Region.

## 7.0 OUTLOOK FOR 2013

The Sustainable Rural Water and Sanitation Project (SRWSP) will continue the development and rehabilitation of 1,200 new bore holes, 400 old bore holes, 40 Limited mechanised water facilities and 29 Small Town Systems in the Upper West, Upper East, Northern, Brong-Ahafo, Central and Western Regions of Ghana. The five year (2010-2015) Project is targeted to improve access to water and sanitation for 600,000 people in the above mentioned Regions.

### The Housing Sub-sector

1. The Department of Rural Housing will construct 17 Cocoa Farmers' Houses in selected districts. In addition, 3 regional bungalows and the headquarters will be rehabilitated and a local building material bank established. The Department will also construct 9 local building materials training centres in 9 districts across the country to promote the production and use of local building materials in the construction industry to about 60per cent.
2. The Government has allocated an amount of GH¢5 million to augment the GH¢ 2 million revolving fund of the Public Servants Housing Scheme to enable beneficiaries of the programme complete their houses while others are assisted to purchase Estate Houses and initiate their own houses.
3. Government will continue to strengthen the Architects Registration Council to recruit, develop and strengthen its staff capacity, establish its monitoring/policing machinery to weed out charlatans in the practice. In

addition, the Council will review the professional practice syllabus and the outmoded Architects Decree 1969, NLCD 357 to meet current trends in the industry.

### The Works Sub-sector

- a. Under the Storm Water Drainage and Sanitation Programme the Government will continue to resource the Hydrological Services Department to construct various storm water concrete drainage systems at Sakaman, Nima, Goaso, Salaga, Sakumono-Lashibi and Bolga to reduce perennial flooding and safeguard life and property,. The Drainage systems at Ashaiman, Swedru, Winneba, Ejura, Tepa, Asankragua, Kumawu, Tamale and others will be commenced by the Ministry.
- b. Desilting, widening and deepening of most drains at flood prone areas within the Accra-Tema Metropolis and other regional capitals and selected district capitals will be sustained under the National Flood Control Programme in 2013. In addition, the routine maintenance (i.e. dredging) of the lower and upper sections of the Korle Lagoon and Odaw stream will continue.
- c. Sea Defence Works at Ngyiresia will commence to salvage the adjoining road from being totally washed by the sea waves. Whilst work along 1.5 km of Atorkor-Dzita-Anyanui, Sakumono and Ada shore lines will be continued.

- d. As part of its Peri-Urban, Rural and Small Towns Water and Sanitation Project in the Brong-Ahafo Region, the Community Water and Sanitation Agency (CWSA) will test run the 15 small towns' piped systems and fit 550 boreholes with hand pumps.

### The Water Sub-sector

- i. In executing the Government of Ghana 5-Year 20,000 Borehole Delivery Programme, the Technical Department of the CWSA will oversee the completion of the 1,090 boreholes fitted with hand pumps and also initiate the construction of another batch of 4,000 boreholes for this year. There will also be a follow up on the correction of construction and installation defects as well as water quality issues.
- ii. Construction work on the Kpong Water Supply Expansion and Rehabilitation Project will be progressed. This will include the replacement of the existing intake pumps and the installation of a 15,000m<sup>3</sup>/day unit water treatment plant. Furthermore, the Madina reservoir, Boi Booster station and the Asofaa Booster renovation will commence in the course of the year.
- i. During the year, expansion works on the Nsawam water system, the Mampong water supply system and the Kumawu, Kwahu Ridge, Konongo water systems will be continued.
- ii. In 2013, the Dams Rehabilitation component of the Urban Water Project which involves construction and consultancy services on the

Dams at Abessim, Axim, Barekese, Inchaban, Koforidua, Mampong, Owabi, Tanoso, Vea, and Weija will also continue.

## 8.0 BUDGETARY ALLOCATION FOR 2013

8.1 A total allocation of **Five Hundred and Ninety-Eight Million, Nine Hundred and Two Thousand, Six Hundred and Forty Seven cedis (GH¢598,902,647.00)** has been given to the Ministry of Water Resources, Works and Housing for the implementation of its programmes and activities for the 2013 financial year.

8.2 The summary of the total budgetary allocation is shown in table 1.

**Table 1**  
**SUMMARY OF 2013 BUDGETARY ALLOCATION**

<b>SUB-SECTOR</b>	<b>2013 ALLOCATION GH¢</b>
HEADQUARTERS	5,217,626
HOUSING	16,036,778
WORKS	144,307,887
WATER	66,428,413
GHANA WATER COMPANY	366,911,943
<b>TOTAL</b>	<b>598,902,647</b>

8.3 The summary of the allocation by item of expenditure is also shown in table 2.

**Table 2**  
**SUMMARY OF 2013 ALLOCATION**

<b>EXPENDITURE ITEM</b>	<b>GoG GH¢</b>	<b>ABFA GH¢</b>	<b>IGF GH¢</b>	<b>DONOR GH¢</b>
<b>COMPENSATION</b>	15,958,688	-	-	
<b>GOODS &amp; SERVICES</b>	6,248,268	-	3,362,233	94,758,767
<b>ASSETS</b>	37,804,297		2,218,287	379,035,064
<b>TOTAL</b>	<b>60,011,253</b>	<b>59,517,043</b>	<b>5,580,520</b>	<b>473,793,831</b>

## 9.0 OBSERVATIONS AND RECOMMENDATIONS

The Committee made the following observations and recommendations during its deliberations:

### a. 2012 Budgetary Allocation

The Committee noted that almost all the expenditure items for the Ministry of Water Resources, Works and Housing for 2012 run into significant excesses. As of November 2012, expenditure captured under Compensation were in excess of about GH¢15,833,873.42 whilst that of Assets was in excess of GH¢60,824,048.00. The Variance for Compensation was attributed to Single Spine Pay Policy; whereas the reasons given for the excesses registered in the Assets allocation were off-budgets expenditure and the Job 600 Renovation Project.

For instance, the Atorkor-Dzita-Anyanui Emergency and the Ada Sea Defence Projects which were undertaken to protect the coast lines of

the above places were off-budget items for which payments were made through the Assets accounts of the Ministry of Water Resources, Works and Housing, the execution agents for the Projects. Again, even though the loan facility for the Job 600 Renovation Project was contracted by MoFEP, payments for work done were made through the Assets accounts of the Ministry of Water Resources, Works and Housing thus increasing the Asset expenditure of the Ministry.

In the light of the above, the Committee is of the opinion that the current practice where different and outrageous prices are quoted for same projects and supplies needs to be checked. It therefore urges MoFEP to come up with a harmonised price quoting system where all Ministries, Departments and Agencies (MDAs) will use in the preparation of the budgets of the cost centers.

b. The Hydrological Services Department

The Hydrological Services Department is the national institution with the responsibility for monitoring all rivers and surface water bodies in Ghana; and providing engineering consultancy services in hydrology, water resources, drainage engineering, sewerage engineering, coastal engineering and related fields for government.

For 2013, the Department has been allocated a sum of GH¢74,501,529.00 to execute its programmes and activities for the 2013 financial year.

The Committee observed that, flooding in previously prone areas in and around the capital and other metropolis has reduced considerably due to the relentless efforts of the Hydrological Services Department. The Committee commends the Department for its performance in year 2012. However, the Committee is concerned that, the undefined status of the Department coupled with unattractive conditions of service has led to a rather high attrition rate at the Department.

In the opinion of the Committee, the situation would be resolved when the Legislative Instrument is enacted to regulate the activities of the Department. The Committee therefore urges the Ministry of Water Resources, Works and Housing to expedite work on the draft proposal to Cabinet for approval.

c. The Water Resources Commission

For year 2013, an amount of GH¢ 3,016,927.00 has been allocated to the Water Resources Commission to carry out its planned programmes and activities for the year.

The Committee observed that increasing illegal mining activities (Galamsey), indiscriminate development and deforestation are dwindling the water bodies in the country. Given that water is life, the Committee urges the Commission to intensify efforts at protecting and preserving water bodies in the country with sensitisation programmes and the planting of fast growing trees.



The Committee further noted that the Water Resources Commission has tripled its Internally Generated Fund upon the operationalisation of the Legislative Instrument which allowed them to considerably raise its fee charges. The Committee therefore urges other Agencies to follow suit.

d. The Community Water and Sanitation Agency (CSWA)

The Community Water and Sanitation Agency has been allocated a total sum of GH¢59,020,819.00 for the implementation of its programmes and activities for the year ending 31<sup>st</sup> December, 2013.

The Committee noted that the solar powered borehole projects which were constructed by CWSA in over 972 communities with funding from COCOBOD are not working. Considering the allocation made to CWSA, the Committee entreats CWSA to source for funding to replace the solar powered pumps with manual ones. The Committee also urges CWSA to always undertake pilot programmes before rolling out projects of such scale.

e. Ghana Water Company Limited (GWCL)

The Committee noted with concern, the current water crises which has engulfed the nation. Officials of the Company indicated to the Committee that the current national water crises is as result of the low generation capacity and other operational difficulties such as the rampant and indiscriminate power outages and poor water distribution infrastructure.

For instance, the water problem in Accra and its environs is as a result of a breakdown of three filters at the Weija treatment plant for the past two months.

The Committee was informed that, a new filter has been constructed but the Contractor is waiting for the concrete to cure before commissioning it for use. Two other filters will be constructed in due course. The Acting Executive Secretary assured the Committee that the Company will systematically and progressively put steps in place to resolve the water supply problem of the country by increasing the water supply capacity to about 200 million gallons per day by the end of the year.

The Committee strongly declared its displeasure with the current water crises and charged the GWCL to spare no effort to normalise the situation. In the short term, the Committee urges the Hon. Minister for Water Resources, Works and Housing to collaborate with the Hon. Minister for Energy and Petroleum to prioritize water treatment facilities during load shedding so as to ensure regular supply of power to facilitate constant water production. In the long term, the Committee recommends that the Ministry of Water Resources, Works and Housing should make the acquisition of electricity generation plants an essential component of loan facilities for water project to curtail future occurrence.

f. The Rent Control Department

The Rent Control Department is one of the most under resourced in terms of personnel and allocations. For year 2013, a total amount of GH¢ 822,194 has been allocated for the delivery of the services of the Rent Control Department.

The Committee was informed that in 2012, the Assets votes of the Ministry was commandeered for certain priority projects of the government. Consequently, the Assets votes for all the directorates under the Ministry were significantly varied. This was however after the initial allocation of Assets due the Rent Control Department has been committed to a planned project for the construction and renovation of offices in Wa and Jirapa.

As a result of the revision, the Department could not pay the contractors of the project and it is indebted to the tune of GH¢500,000.00. The Committee was informed that the offices of the Department are constantly besieged by creditors and this is affecting work at the Department. Aside, the whole Department has no official means of transportation. In the opinion of the Committee, the 2013 Asset allocation of GH¢119,620.00 is not adequate enough to offset the liabilities of the Rent Control Department.

The Committee therefore entreats MoFEP to consider taking over the indebtedness of the Rents Control Department to enable the Officers have the right frame of mind to deliver on its mandate.

h. The Public Servants Housing Loan Scheme Board

The Public Servants Housing Loan Scheme Board was established with the sole aim of the disbursement and the management of soft housing loans to Public Servants of the country.

The Committee noted that inadequate funding over the years has affected the ability of the Board to meet sizable numbers of applicants. This is because although the amortization period of the loan is between ten and fifteen years, there are many instances where it takes up to fifty years to recover loans, thus rendering the revolving fund ineffective.

For 2013, the funds for the scheme has been upped by GH¢5million to augment the current Scheme fund of GH¢2 million. This is to enable the Scheme to cover more beneficiaries.

The Committee therefore recommends that the Board Members of the Scheme should put in place proper mechanisms for loan recoveries.

## **10.0 CONCLUSION**

The critical role that the Ministry of Water Resources, Works and Housing play in infrastructural development and social service delivery in propelling economic growth, sustaining poverty reduction and development, cannot be over-emphasised. If Ghana is to achieve these desirable goals as envisaged in the Ghana Shared Growth Development Agenda (GSGDA)

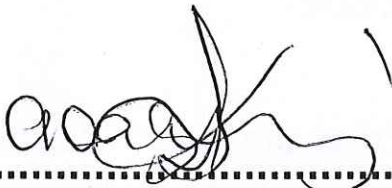
then it is imperative that the Ministry is adequately resourced to carry out its mandate.

Finally, the Committee recommends to the House to approve the sum of **Five Hundred and Ninety Eight Million, Nine Hundred and Two Thousand, Six Hundred and Forty Seven Ghana cedis (GH¢598,902,647.00)** for the implementation of the programmes and activities of the Ministry of Water Resources, Works and Housing for the 2013 fiscal year.

Respectfully submitted.



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**HON. DAVID TETTEH ASSUMENG**  
**(CHAIRMAN OF THE COMMITTEE)**



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**AKUA DUROWAA OWUSU AGYEKUM (MRS)**  
**(CLERK TO THE COMMITTEE)**

19<sup>TH</sup> MARCH 2013