

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

**REPORT OF THE JOINT
COMMITTEE ON
LANDS AND FORESTRY AND
MINES AND ENERGY**

**ON THE
2011 ANNUAL BUDGET ESTIMATES OF THE
MINISTRY OF LANDS AND NATURAL
RESOURCES**

DECEMBER 2010

1.0 INTRODUCTION

1.1 The Budget Statement and Economic Policy of the Government of Ghana for the 2011 fiscal year was presented to Parliament by the Hon. Minister for Finance and Economic Planning, Dr. Kwabena Duffuor on Thursday, 18th November, 2010 in accordance with Article 179 of the 1992 Constitution of Ghana. The Budget Estimates of the Ministry of Lands and Natural Resources were accordingly referred to the Joint Committee on Lands and Forestry, and Mines and Energy for consideration and report pursuant to Orders 140(4), 177 and 188 of the Standing Orders of the House.

1.2 During the consideration of the referral, the Committee met with the Hon. Minister for Lands and Natural Resources, Alhaji Collins Dauda, his deputy, Mr. Henry Kamel Ford, key Officials of the Ministry of Lands and Natural Resources and the Schedule Officer from the Ministry of Finance and Economic Planning. The Committee lauds the Hon. Minister and the Officials for their assistance during its sitting.

2.0 REFERENCES

2.1 The Committee used the under-listed as reference materials during its deliberations:

- (i) The 1992 Constitution of Ghana

- (ii) The Standing Orders of the House
- (iii) The Budget Statement and Economic Policy of Government for the year ending 31st December, 2011
- (iv) The Medium Term Expenditure Framework (MTEF) for 2011-2013 and the draft Annual Estimates for 2011 of the Ministry of Lands and Natural Resources
- (v) The Budget Estimates for the Ministry of Lands and Natural Resources for 2010.

3.0 MISSION STATEMENT

3.1 The Mission Statement of the Ministry of Lands and Natural Resources is to ensure sustainable management and utilization of the nation's land, forest, wildlife and mineral resources for the socio-economic development and growth of Ghana. This is to be achieved through:

- (i) Efficient formulation, implementation, co-ordination, monitoring and evaluation of policies and programmes of the sector agencies.
- (ii) Efficient management of public and stool lands as a means to ensure equitable land delivery.

- (iii) Promoting effective inter-agency and cross-sectoral linkages.
- (iv) Promoting sustainable and efficient forest, wildlife and mineral resource management and utilization.
- (v) Creating an enabling environment for effective private sector participation.
- (vi) Promoting effective community participation in multiple uses of land, forest, wildlife and mineral resources.

4.0 OBJECTIVES

4.1 The Mission of the Ministry will be realized through the pursuit of the under-listed objectives:

- (i) Develop and manage sustainably, land, forest, wildlife and mineral resources;
- (ii) Facilitate equitable access, benefit sharing from and security to land, forest and mineral resources;
- (iii) Promote public awareness and local communities' participation in sustainable management and utilization of forest, wildlife, land and mineral resources;

- (iv) Review, update and consolidate existing legislation and policies affecting natural resource management;
- (v) Promote and facilitate effective private sector participation in land service delivery, forest, wildlife and mineral resource management and utilization;
- (vi) Develop and maintain effective institutional capacity and capability at the national, regional, district and community levels for land, forest, wildlife and mineral service delivery;
- (vii) Develop and research into problems of forest, wildlife, mineral resources and land use; and
- (viii) Build regional and global linkages toward the management of natural resources.

5.0 PERFORMANCE FOR 2010

5.1 The following **Table 1** shows the Budget allocations and Actual releases as at the third quarter with corresponding variances of the Ministry of Lands and Natural Resources for 2010.

ITEM	BUDGET ALLOCATION FOR 2010 (GH¢)	ACTUAL RELEASES FOR 2010(GH¢)	VARIANCE	% DIFFERENCE
1	32,767,619.00	18,258,634.49	(14,508,984.51)	(44.28%)
2	12,918,429.00	6,117,876.17	(6,800,552.83)	(52.64%)
3	20,063,195.00	7,004,342.01	(7,004,342.01)	(65.09%)
4	27,883,686.00	4,059,155.73	(23,824,530.27)	(85.44%)
TOTAL	93,632,929.00	35,440,008.40	(58,192,920.60)	

5.2 A total amount of **Ninety-Three Million, Six Hundred and Thirty-Two Thousand, Nine Hundred and Twenty-Nine Ghana Cedis (GH¢93,632,929.00)** was allocated to the Sector Ministry but an amount of **Thirty-Five Million, Four Hundred and Forty Thousand, Eight Ghana Cedis, Forty Ghana Pesewas (GH¢35,440,008.40)** was eventually released for the execution of the following activities in the year 2010.

LANDS SUB-SECTOR

- 5.3 In the year under review, the Lands Commission prepared two drafts of the three-component Lands Bill (Land ownership and Tenure; Land Management and Administration; and Surveying and Mapping). The drafts were circulated for extensive consultations with stakeholders including the Committee, National House of Chiefs, Academia, Civil Society for their input. The concerns raised from consultations would be incorporated into the Lands Bill.
- 5.4 The Lands Commission has commenced scanning of all land records in Accra as part of its computerization process. A prototype Land Information System is on test. The System has reduced processing time for land registration from 36 months to 3 months and title registration from 36 months to 7 months in the Eastern Region.
- 5.5 Government returned 60% of the land acquired in 1942 to the Nungua Stool. Also, inventory of State acquired lands in 13 districts is completed.

5.6 The Office of Administrator of Stool Lands has opened new District Offices/Collection Points at Kasoa, Akumadan and Dodowa to enhance revenue collection.

FORESTRY SUB-SECTOR

5.7 On the issue of the **National Forest Plantation Development Programme**, a total land area of 15,000 hectares is under forest plantation development and has created employment for over 25,000 people.

5.8 As part of efforts to ensure the supply of legal wood in both domestic and export markets, the Forestry Commission established the Timber Validation Department to carry out the piloting of the Wood Tracking System under the Voluntary Partnership Agreement.

MINES SUB-SECTOR

5.9 A new method of gold extraction with the use of concentrates other than mercury has been developed for small-scale mining operators. Further, about 300 licenses have been granted to small-scale mining operators in the Country.

5.10 The following draft regulations have been submitted to the Attorney-General's Department and will be submitted to Parliament in due course. They are:

- i. Explosives (Mining and Civil)
- ii. Mineral Royalties
- iii. Mine Support Services
- iv. Compensation and Resettlement
- v. Health and Safety
- vi. Mineral Licensing
- vii. Mining (General)

5.11 The Geological Survey Department produced and launched the new geological map of Ghana at the scale of 1:1,000,000, using digital technology.

5.12 The Geological Survey Department also procured a new seismic equipment for the monitoring of earthquakes and other seismic activities. Further, the process for the acquisition of airborne geophysical data to cover the entire country to aid mineral exploration was completed.

6.0 OUTLOOK FOR 2011

6.1 The following **Table 2** shows expenditure items with corresponding proportions to the total Budget Allocation for the Ministry of Lands and Natural Resources for year 2011.

ITEM	BUDGET ALLOCATION FOR 2011 (GH¢)	PROPORTION OF TOTAL BUDGET ALLOCATION
1	GOG - 33,750,636.00	34.32%
2	GOG - 1,000,844.00 IGF - 7,415,645.00 SUB-TOTAL - 8,416,489.00	8.56%
3	GOG - 9,890,000 IGF - 7,110,084.00 SUB-TOTAL - 17,000,084.00	17.29%
4	GOG - 1,623,600.00 IGF - 6,093,078.00 DONOR - 26,453,576.00 SUB-TOTAL - 34,170,254.00	34.75%
SIP	5,000,000.00	5.08%
TOTAL	98,337,463.00	100%

SIP – Social Intervention Programme

LANDS SUB-SECTOR

- 6.2 The Lands Commission will continue with its computerization to develop an integrated Land Information System that will provide the infrastructure for an effective and efficient land administration system.

FORESTRY SUB-SECTOR

- 6.3 The Forestry Commission would extend the **National Forest Plantation Development Programme** to all the 170 political districts. The Forestry Commission will also accelerate the development of management plans for all forest reserves to enhance sustainability.
- 6.4 The framework for the management of admitted farms and settlements in forest reserves and protected areas will be developed and implemented to prevent further encroachment by farmers.

MINES SUB-SECTOR

- 6.5 The Ministry will undertake institutional strengthening to provide extension services to small-scale mining operators, improve availability of information to attract mining

investors as well as improve the licensing processes to reduce social conflicts in mining communities.

6.6 The implementation of the action plan developed by the multi-agency Revenue Task Force to improve mining sector revenue collection, management and transparency, will be vigorously pursued. The Ministry will also conduct stratigraphic studies of the Voltaian Basin to determine its mineral potentials.

7.0 ESTIMATES FOR 2011 FISCAL YEAR

7.1 For the implementation of the activities of the Ministry of Lands and Natural Resources and its agencies in the year 2011, an amount of **Ninety-Eight Million, Three Hundred and Thirty-Seven Thousand, Four Hundred and Sixty-Three Ghana Cedis (GH¢98,337,463.00)** has been allocated. Details of the allocations are indicated in the Appendix.

8.0 OBSERVATIONS/RECOMMENDATIONS

8.1 The Committee observed that Actual Releases for the year 2010 was below the Budget Allocation for year 2010 as shown in Table 1.

- 8.2 The Committee further observed that there was no Legislative Instrument (L.I) to give authority to the Lands Commission to spend a portion of its Internally Generated Funds (IGF) as provided by the Lands Commission Act 2008 (Act 767). The Committee recommends that the Ministry of Lands and Natural Resources develop and present a draft L.I to Parliament for approval to assuage the situation.
- 8.3 On the issue of the construction of the Headquarters of the Lands Commission, the Committee was informed that the procurement process had reached the negotiation stage and would be completed before the end of the year for construction to begin.
- 8.4 The Committee expressed concern about the increased illegal mining in the Country and the growing involvement of foreigners in the activity. To address the concern, the Ministry has instituted measures to regularise the activities of the illegal minners by issuing prospective operators with licences. The licencing procedure has been simplified and the licence fee pegged at GH¢250.00 to encourage the illegal miners to regularise their operations. Further, the Ministry continued to sensitise the miners to regularise their activities. In addition to the above, the Ministry in collaboration with the Security Agencies conducted regular

patrols of illegal mining sites to flush out illegal miners especially foreigners.


- 8.5 The Committee noted that, mining companies with stability agreements with Government were exempt from payment of the new royalty rates as prescribed in the Minerals and Mining (Amendment) Act, 2010 (Act 794). It is the view of the Committee that the stability agreements do not provide a level playing field for the operators given that those without such agreements are paying a higher royalty rate. The Committee was informed that the Ministry was currently reviewing all mining agreements and will use the opportunity to have a second look at the stability agreements.
- 8.6 The Committee expressed concern about the manner in which royalties paid to District Assemblies were utilised. The Committee was informed that the Ministry in collaboration with the Ministry of Local Government and Rural Development were developing guidelines for the utilisation of such revenues and that these guidelines will soon be submitted to Parliament.
- 8.7 The Committee also expressed concern about the state of maintenance of the already established plantations and recommends that the Ministry should solicit for financial aid

even as the Government is eager to expand plantation development to all the political districts.

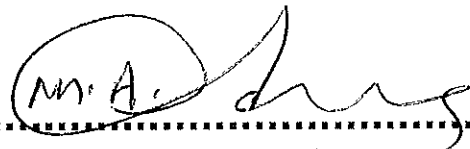
9.0 CONCLUSION

9.1 The Committee recommends to the House to approve the sum of **Ninety-Eight Million, Three Hundred and Thirty-Seven Thousand, Four Hundred and Sixty-Three Ghana Cedis (GH¢98,337,463.00)** for the Ministry of Lands and Natural Resources for the 2011 financial year.

Respectfully submitted.



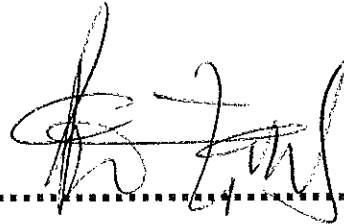
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HON. ALBERT ABONGO
CHAIRMAN, COMMITTEE ON
LANDS AND FORESTRY



.....
HON. MOSES ASAGA
CHAIRMAN, COMMITTEE
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.....
MR. MATTHEW ABREFA TAWIAH
CLERK, COMMITTEE ON
LANDS AND FORESTRY



.....
MR. CAMILLO PWAMANG
CLERK, COMMITTEE ON
MINES & ENERGY

DECEMBER, 2010

2011 APPROPRIATION DETAILED SUMMARY OF EXPENDITURE BY FUNCTION, ECONOMIC ITEM AND FUNDING

(in GH Cedis)

FUNCTION	P.E.	Admin.	Service	Investm.	Total Gov	P.E.	Admin.	Service	Investm.	Total	FUNDS/OTHERS		MDF	P.E.	Admin.	Service	Investm.	Tot Donor	Grand Total	
											STATUTORY	SIP								MREG
Economic:					33,730,638															
Ministry of Lands and Natural Resources					337,90,638															
Headquarters					2,226,487															
General Administration					440,000															
Human Resource Directorate					0															
PPMED					0															
Statistics, Research & Information Management (0															
Internal Audit Unit					40,000															
Land Administration Project (LAP)					0															
Office of Administrator of Stool Lands					1,706,466															
Forestry Planning					0															
BARADEP					50,000															
Ghana Boundary Commission					0															
GCD					0															
Lands Commission					9,547,671															
Corporate Headquarters					209,000															
Public & Vested Land Management Div					2,825,945															
Land Registration Division					307,668															
Survey & Mapping Division					1,981,428															
Land Valuation Division					4,232,630															
Forestry Commission					18,300,000															
Corporate Headquarters					839,308															
Forestry Services Division					12,005,641															
Wildlife Division					3,388,956															
Timber Industry Development Division					1,659,035															
Resource Management Support Centre					406,234															
Wood Industries Training Centre					30,826															
London					0															
Minerals Commission Secretariat					2,626,498															
General Administration					2,626,498															
Geological Survey Department					1,040,000															
General Administration					1,040,000															
General Administration					0															
Grand Totals					33,730,638															