

IN THE THIRD SESSION OF THE FOURTH PARLIAMENT

OF THE

FOURTH REPUBLIC OF GHANA

REPORT OF THE COMMITTEE ON WORKS AND HOUSING

ON THE

2008 ANNUAL BUDGET ESTIMATES OF THE

MINISTRY OF WATER RESOURCES, WORKS AND HOUSING

11th DECEMBER, 2007



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WATER RESOURCES, WORKS AND HOUSING**

1.0 INTRODUCTION

On 15th November, 2007 the Hon. Minister for Finance & Economic Planning moved a motion for the approval of the Budget Statement and Economic Policy of the Government for the 2008 financial year.

Subsequently, in accordance with Article 179 of the 1992 Constitution and Orders 140(4) and 180 of the Standing Orders of the House, Mr. Speaker referred for consideration the Draft Annual Estimates of the Ministry of Water Resources, Works and Housing to this Committee.

The Committee met on Monday 3rd December, 2007. During its deliberations on the Estimates, the Committee met with the Sector Minister, his Deputy, Officials from the Ministry, Heads of the various Departments and Agencies of the Ministry and Officials from the Ministry of Finance who made valuable contributions during deliberations on the estimates. The Committee appreciates their immense contributions.

2.0 REFERENCES

In discussing the estimates, the following served as reference materials for the Committee:

- 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 of Ghana for the 2008 financial year.
- d. Report of the Committee on the 2007 Annual Estimates of the Ministry of Water Resources, Works and Housing; and
- e. The 2008 Draft Annual Estimates of the Ministry of Water Resources, Works and Housing.

3.0 MISSION STATEMENT OF THE MINISTRY

The Mission of the Ministry is to formulate and implement policies and programmes of adequate housing, other landed properties, potable water and development of infrastructure facilities in the areas of Water and Flood Control systems, Drainage and Coastal Protection Works and Operational Hydrology for the benefit and improvement of the welfare of all people living in Ghana.

This Mission is translated into the Ghana Poverty Reduction Strategy II document. In that document, the medium term priority programmes of the Ministry include the increment of access to facilities especially;

- a. Guinea Worm Eradication
- b. Provision of potable Rural and Urban Water
- c. Coastal Protection
- d. Hydrological Works
- e. An Affordable Housing Scheme, and
- f. Sewerage and Storm Water Drainage Projects

4.0 REVIEW OF 2007 BUDGETARY ALLOCATION

In the year under review, the Ministry, with its Department and agencies, was allocated a total of **One Trillion Eight**

Hundred and Sixty Nine Billion, Five Hundred and Sixty Eight Million cedis (¢1,869,568,000,000.00). The Committee noted that the entire amount was not actually released to the Ministry thus affecting the attainment of certain objectives in 2007. However it was noted that the Ministry was able to carry out some projects. Among the achievements of the Ministry in the year under review are:

- i. The completion of some Urban Water projects including the improvement of water supply to some educational institutions in the Central Region
- ii. The Completion of 300 new boreholes and hand-dug wells
- iii. The Completion of the Kwanyaku Water Supply Expansion Project
- iv. The Completion of final draft of the National Housing Policy, and
- v. The progression in the Affordable Housing buildings

5.0 THE 2008 DRAFT ANNUAL BUDGET ESTIMATES

The Ministry under review is expected to achieve certain targets which are in line with the Medium Term Expenditure Framework and the thematic areas of government. Its targets are also to be in line with the Ghana Poverty Reduction Strategy (GPRS) II objectives.

It is in this regard that the Ministry has been allocated an amount of **One Hundred and Sixty One Million Three Hundred and Eighty Four Thousand Six Hundred and Fifty Three Ghana Cedis (GH¢ 161,384,653.00).**

Of this amount, the Government of Ghana (GOG) component is **Sixteen Million Six Hundred and Sixty Five Thousand Three Hundred and Eighteen Ghana Cedis (GH¢ 16,665,318.00)**.

Seven Hundred and Nine Thousand Four Hundred Cedis (GH¢ 709,400.00) is estimated to be generated internally.

The Highly Indebted Poor Countries (HIPC) Fund would contribute an amount of **Thirty Three Million Nine Hundred and Eighty Five Thousand Ghana Cedis (GH¢33,985,000.00)** to the estimates of the Ministry.

This Ministry's allocation also has a Donor Component of **One Hundred and Ten Million Twenty Four Thousand Nine Hundred and Thirty Five Ghana Cedis (GH¢ 110,024,935.00)**.

5.1 Government of Ghana (GoG) Sources

	GH¢
i. Personnel Emoluments	6,873,602.00
ii. Administration	1,590,732.00
iii. Service	568,800.00
iv. Investments	7,632,184.00
TOTAL	16,665,318.00

Donor Component

		GH¢
i.	Service	- 23,477,410.00
ii.	Investment	- 86,547,524.00
	TOTAL	- 110,024,935.00

Internally Generated Funds

		GH¢
i.	Administration	- 179,380.00
ii.	Service	- 465,190.00
iii.	Investment	- 64,830.00
	TOTAL	- 709,400.00

HIPC Funds Allocation - GH¢ 33,985,000.00

5.2. With these funds the Ministry intends to undertake a number of projects. These ultimately, it is hoped, will lead to the achievement of the Millennium Development Goals (MDG) and the objectives of the Growth and Poverty Reduction Strategy (GPRS) II.

Some of the Projects outlined for the coming budget year include:

1. The sinking of over 2000 boreholes and the construction of over 5000 household latrines
2. The Completion of water projects especially that of the Tamale Water Expansion Project and the Accra East-West transfer interconnection

3. The operationalization of the Public Servants mortgage scheme to make possible the concept of house ownership by Public Service employees
4. The development of Drainage Master Plans for communities to improve sanitation in the country
5. The establishment of Land Bank system to facilitate the National Housing Programme

6.0 OBSERVATIONS

During its hearings the Committee made a number of observations which it believes should be brought to the attention of the House.

6.1 Main Ministry

The Committee noted with dismay the reduction in the Budget of the Ministry which stood at One Trillion Eight Hundred and Sixty Nine Billion, Five Hundred and Sixty Eight Million Cedis (¢1,869,568,000,000.00) last year. This year the Ministry was allocated One Hundred and Sixty One Million Three Hundred and Eighty Four Thousand Six Hundred and Fifty Three Ghana Cedis (GH¢ 161,384,653.00).

The reduction is by as much as 14 percent of the 2008 budgetary allocation of the Ministry compared to that of 2007. This translates to over 255 billion cedis or 25.5 million cedis. This will definitely have an adverse effect on the Ministry's operations.

The Committee also observed that the amount of **GH¢ 33,985,000.00** which was allocated to the Ministry by way of HIPC funds would be spent on the improvement of drainage,

culverts, water expansion, coastal and the construction of affordable housing in the country.

The Committee also observed that several of the Ministry's investments activities were not completed primarily because not all requests sent to the Finance Ministry had been released. For example, the payment due to landowners at Weija for the lands acquired for the construction of the Water works had still not been made because the funds were yet to be released.

With the current devastation of the floods in the Northern Part of the Country and elsewhere still fresh in the minds of Ghanaians, the Committee noted that a National Flood Control Programme is in place to implement various mitigation programmes.

The Committee noted also that the decision by the Ministry to sell 5000 low cost houses to sitting tenants had commenced and that the revenue to be accrued will be used to increase the stock of decent, safe and affordable houses currently being pursued.

The Committee further noted with concern that funds for the completion of the Korle Lagoon reclamation were still not being released though a request had been made for them. The project is of prime national concern and the committee believes that funds should be released for its early completion.

The committee also noted that the promise that the Peduase Lodge would be completed in time for the country's 50th

Anniversary celebration did not materialize and this should be worked on seriously to ensure that in 2008 the completion would be achieved.

The Main Ministry has been allocated an amount of Sixty Five Million Nine Hundred and Eighty Thousand Four Hundred and Twenty Nine Ghana Cedis (GH **¢65,980,429.00**).

6.2 Ghana Water Company Limited

The Ghana Water Company Limited (GWCL) is the Owners of the Urban Water systems in the country and has signed a Management Contract Agreement with the Aqua Vitens Rand Limited (AVRL), to make AVRL the operators.

The Committee noted that in this capacity, the GWCL is updating its Strategic Investment Programme.

The GWCL has seen to the completion of the Kwanyaku Water supply expansion project. However additional works are ongoing to add new transmission pipelines and distribution extensions.

The Committee also noted that construction works for the East-West Water Transfer interconnection project commenced in March of 2007. This project which includes an installation of a new treatment plant at Weija would benefit areas including Adenta, Ashalley Botwe and Madina which are expecting water to flow through their pipes.

With the approach of the dry season, the Committee noted with gladness that the Cape Coast Water Supply Expansion project is almost completed and will be ready for

commissioning by the end of the year. The Committee hopes that this would solve permanently the water shortage problems that are faced by inhabitants in and around the Cape Coast Municipality.

The Committee observed that plans are far advanced to secure funding for Sunyani water supply expansion project.

The Company assured the Committee that the Tamale Water Supply Expansion project would be completed by the end of 2008.

The committee was, however, worried that the Six Towns Water Supply project which has been completed and in operation was experiencing leakages.

The Company has been allocated an amount of Thirty-nine Million, Nineteen Thousand Eight Hundred and Forty Ghana Cedis (GH **¢39,019,840.00**).

6.3 Community Water and Sanitation Agency

CWSA activities, which in the main are concerned with provision of Rural Water, are primarily donor driven. Of its GHC 49, 797, 840.00 budget allocation, GH¢ 45, 868,670 representing 92 percent is from donor sources.

The Committee observed that the Government of Ghana was required by donors to support the Agency through the provision of funds for their administrative expenses.

It is in the light of this that, the Committee was disappointed by the reduction in amount of the administrative item of the

Agency's allocation. This situation it was noted had been persisting since 2001.

The Committee also noted that the Agency did not have procurement staff which made its processes cumbersome.

The Committee once again observed that the Agency could not achieve certain targets because most communities could not pay the required 5% of the cost.

The Committee also noted that the coverage of Rural Water had increased from 46.4 per cent to 55.12 per cent. This figure could rise up when pumps are installed on existing wells.

The Agency has been allocated an amount of Forty-Nine Million Seven Hundred and Ninety Seven Thousand Eight Hundred and Forty Ghana Cedis (GH **¢49,797,840.00**)

6.4 Hydrological Services Department

Members noted as laudable the intention of the Department to construct an office complex which would have central stores and workshops.

The Committee was informed that the Department was going to continue with capacity building for all their staff especially those in the regions.

In furtherance of strengthening the government's objectives of reconstructing the northern part of Ghana as a result of recent floods, the Department was surveying the area and had been asked to submit proposals on reconstruction.

The Department has been allocated an amount of Five Hundred and Seventy Nine Thousand One Hundred and Eighty Ghana Cedis (GH ₵579,180.00)

6.5 Water Resources Commission

The Committee noted that the Commission over the year had been able to approve and license Ten (10) major applications for water use in the country.

It also noted the intention of the Commission to collaborate with District Assemblies to register and control small water users in the country.

Although Parliament had approved new regulations on drilling operations and groundwater development, the Committee was of the view that its effect was not being felt.

Considering the importance of the Commission to the survival of Water bodies in the Country, the Committee was concerned about the low release of investments funds to the Commission to undertake its projects.

The Commission has been allocated an amount of Nine Hundred and Thirteen Thousand One Hundred and Seventy Five Ghana Cedis (GH ₵913,175.00)

6.6 Public Works Department

The PWD exist to implement government policy on good construction practice, effective management and maintenance of public buildings, contract administration and to offer technical advice to government at both central and local levels.

The Committee was informed that, the Department could rehabilitate only twenty government bungalows across the country in the year under review.

In the 2007 fiscal year, the Department carried out various activities such as consultancy, rental of car parks, rental of protocol materials and equipments and refuse collection all aimed at generating revenue.

In 2008, the Department intends to promote rural and urban infrastructure development and the provision of basic services.

The Department informed the committee of the need to equip its regional offices with vehicles and equipment.

The Department also requested for funds to enable it replace its refuse collection and cesspit emptier trucks all over the Country and to construct more warehouses on its properties nationwide to enhance revenue generation for 2008.

The Department intends to undertake contract administration of more projects by collaborating with MDA's and engage its artisans in direct labour projects all in the bid to generate funds for its operations.

The Department for its activities this year has been allocated an amount of Three Million Five Hundred and Seventy Seven Thousand Four Hundred and Seventeen Ghana Cedis **(GH¢ 3, 577, 417.00).**

6.7 Architects Registration Council

The Committee noted that at long last the Council had been able to secure decent office space which was also fully furnished.

The Council submitted to the Committee that due to the inadequacy of its budget it could hold seminars and meetings for stakeholders only in Accra. They however plan to extend those activities of the Council to other regions with the availability of sufficient funds.

The Council also informed the Committee that they intend to use their withholding budget estimates at the Ministry of Finance for the purchase of a new vehicle next year to enhance its productivity level.

The Council intends to collaborate with the Building and Road Research Institute to improve on the capacity of practitioners in that field.

The Council for the year 2008 has been allocated an amount of One Hundred and Seventy Five Thousand Seven Hundred and Sixty Six Ghana Cedis (GH ₵ **175,766.00**)

6.8. Rent Control Department

The core mandate of the Rent Control Department is to ensure that, no tenant is ejected without recourse to law. It determines cases according to the Rent Act 1963 and Regulation 64.

The Committee observed that, the problem of accommodation for staff in the regional and district capitals still persists and continues to hamper the performance of the Department.

With regards to plans by the Department to generate funds internally, the Committee noted that, a proposal from the Department to that effect was still pending at the Ministry of Finance. The Committee urges the Department to pursue the matter.

For the 2008 financial year, the Department has been allocated an amount of Four Hundred and Twenty Two Thousand Thirty One Ghana Cedis (GH **¢422,031.00**).

6.9 Public Servants Housing Loan Scheme Board

The Public Servants Housing Loan Scheme Board is a Department basically responsible for the provision of affordable housing for civil servants.

In their submission to the Committee, the Department painted a picture of an organization in distress. They stated that for the 2007 fiscal year, no money had actually been released to the Scheme. With this state of monetary inflow, the Department could not achieve much within the year. The Committee was later informed that this state of affairs arose out of the inability of the Board to submit its returns.

Considering the fact that there were several civil servants in need of accommodation, it was alarming that only a total of twenty two (22) houses were built for the year.

The Board has a budget allocation of Four Hundred and Eighty One Thousand One Hundred and Sixty Five Ghana Cedis (GH ₵481,165.00).

6.10 Department of Rural Housing

In the 2007 fiscal year, the Department of Rural Housing pursued its mission of implementing policies and programmes for the development of housing for peri-urban and rural areas.

The Committee observed a ten percent (10%) reduction in Personal Emoluments and this according to the Department was due to retirements of staff.

The Committee noted that there was collaboration between the Department and other agencies such as, District Assemblies, the Cocoa Farmers Pilot Housing Project, the Ministry of Tourism and Diasporan Relations, the BRRI, NYEP and the proposed Disaster Housing Project.

The Department also faces challenges with regards to inadequate budgetary allocation, insufficient vehicular support; low investment funds releases and inadequate staff at both the District and Regional levels.

The Committee observed with concern the fact that the Ministry had discontinued the capacity training of staff of the Department.

The Department of Rural Housing has a budgetary allocation of Three Hundred and Ninety Two Thousand Two Hundred and Fifteen Ghana Cedis (GH ₵392,215.00)

6.11 Technical Service Centre

The Center is a monitoring unit with the main task of managing urban projects which are funded by the World Bank.

The Committee observed that the center currently has just six members of staff including two watchmen and did not undertake any major activity during the year under review because of lack of funds.

It was noted that most of the projects the Center intends to undertake are still awaiting approval from the Finance Ministry.

The Center has been allocated an amount of Forty Five Thousand Five Hundred and Ninety Two Ghana Cedis (GH **¢45,592.00**)

7.0 RECOMMENDATIONS

Based on the observations made after its deliberations the Committee wishes to bring to the attention of the House the under listed recommendations:

- i. The Ministry of Finance should ensure the early release of funds especially investments funds to the appropriate agencies to enable them achieve their set target. In this regard the Committee recommends that the Ministry of Water Resources Works and Housing engages its Departments and Agencies on the appropriate channels and procedures to use to access funds.
- ii. With respect to the Six Town Water Supply Project, the Committee recommends that the GWCL puts in

- appropriate measures to correct the leakages that have resurfaced in the systems to ensure value for money.
- iii. A call is also being sent to the Ministry of Finance to reconsider its reduction in the Administrative Budget of the CWSA since it has the effect of affecting donor support to the Rural Water Development Sector.
 - iv. The Committee recommends to the Ministry of Water Resources Works and Housing to work out modalities on how to assist communities who cannot afford to pay the required 5 per cent of the project cost for a rural water project.
 - v. The Committee further recommends to the Water Resources Commission to ensure the publicity and full implementation of the Regulations on drilling and under water development.
 - vi. It is also being recommended that a Legislative Instrument be introduced for the Regulation of Buffer Zones around Dam sites and catchment areas to address the encroachment on these areas which has serious repercussions on water delivery in the Country.
 - vii. The Committee recommends the adoption of a national training programme by the Architects Council for Small scale building contractors to improve their capacity in the industry.
 - viii. The Ministry should address the concern of the Committee regarding the discontinuation of capacity training of staff of the Department of Rural Housing and ensure that this is revived.
 - ix. The Committee recommends that the Ministry reviews the terms of reference for the Technical Services Center and take a concrete decision on their sustenance.

- x. The Committee further recommends that the Ministry's policy on Rural Housing should incorporate the Technology of the Department of Rural Housing especially for areas affected by the recent floods.
- xi. Finally the Committee entreats the Ministry Of Finance to take a second look at the Budgetary allocation made to the Ministry of Water Resources Works and Housing and review it upwards.

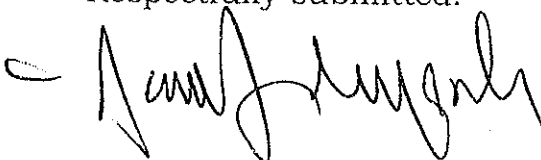
It is the hope of the Committee that these recommendations when taken would help the Ministry to achieve its Millennium Development Goals and its targets in the Ghana Poverty Reduction Strategy II document.

8.0 CONCLUSION

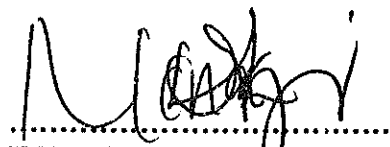
Mr. Speaker, having noted the value that the nation places on the provision of portable water and decent accommodation and the hope that the recommendations already mentioned would be taken on board, the Committee recommends to this House for approval, the sum of **One Hundred and Sixty One Million Three Hundred and Eighty Four Thousand Six Hundred and Fifty Three Ghana Cedis**

(GH¢ 161,384,653.00) for the 2008 operations of the Ministry of Water Resources, Works and Housing, its Departments and Agencies.

Respectfully submitted.



.....
HON. SAMUEL JOHNFAH
(COMMITTEE CHAIRMAN)



.....
NANA TAWIAH OKYIR
(ASSISTANT CLERK)

11th December, 2007.