



IN THE SECOND SESSION OF THE FOURTH PARLIAMENT

OF THE

FOURTH REPUBLIC OF GHANA

REPORT OF THE COMMITTEE ON WORKS AND HOUSING

ON THE

2007 ANNUAL BUDGET ESTIMATES OF THE

MINISTRY OF WATER RESOURCES, WORKS AND HOUSING

8TH DECEMBER, 2006

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

**REPORT OF THE COMMITTEE ON WORKS AND HOUSING ON THE
2007 ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF WATER
RESOURCES, WORKS AND HOUSING**

1.0 INTRODUCTION

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 the Committee.

This followed the motion by the Hon. Minister for Finance & Economic Planning on 16th November 2006 which urged the House to approve the Budget Statement and Economic Policy of the Government for the 2007 financial year.

1.1 Acknowledgement

The Committee during its deliberations on the Estimates met with the Sector Minister, his two Deputies, 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.

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 2007 financial year.
- d. Report of the Committee on the 2006 Annual Estimates of the Ministry of Water Resources, Works and Housing; and

- e. The 2007 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 which would ensure the provision of safe water, and the development of infrastructure in the areas of housing for the provision of adequate housing, drainage works, coastal protection works, hydrology and water related sanitation facilities throughout the country.

The Ministry abides by this duty by:

- Ensuring efficient management of all water resources and increasing accessibility to safe water, adequate flood control systems and drainage as well as decent shelter.
- Formulating, implementing, monitoring and evaluating policies that enhance the provision of infrastructure facilities and services.
- Promoting and facilitating Private Sector participation in housing delivery and safe water supply, flood control system and coastal protection works.
- Providing, maintaining and protecting public property and infrastructure and ensuring protection for communities and infrastructure facilities.
- Establishing an effective database for efficient planning and service delivery.
- Improving Human Resource Development and Building Institutional Management Capacity.
- Improving collaboration and co-ordination with local, Sub-Regional and International Agencies in the provision of water and shelter.

4.0 REVIEW OF 2006 BUDGETARY ALLOCATION

In the 2006 fiscal year, the Ministry was given **One Trillion, Three Hundred and Twenty-six Billion, Eight Hundred and Forty Million, Two Hundred and Ninety-nine Thousand, Nine Hundred and Eighty-five Cedis (¢1,326,840,299,985.00)** from a combination of GoG, Donor, IGF and HIPC sources for its operations.

5.0 THE 2007 DRAFT ANNUAL BUDGET ESTIMATES

The focus of the Ministry of Water Resources, Works and Housing this fiscal year will be to continue the implementation of its programme and projects which will be in line with its mission and which will also be in accordance with the Ghana Poverty Reduction Strategy II objectives.

The Ministry will thus focus on promoting urban infrastructure development and the provision of basic services including increased access to safe decent and affordable shelter.

In this regard the Ministry has been allocated an amount of **One Trillion Eight Hundred and Sixty Nine Billion, Five Hundred and Sixty Eight Million cedis (¢ 1,869,568,000,000.00)** to carry out its activities in 2007.

The amount comprises the following:

- i. **One Hundred and Seventy One Billion One Hundred and Twelve Million Cedis (¢ 171,112,000,000.00)** from the Government of Ghana (GoG).

- ii. Internally Generated Fund (IGF) component of **Five Billion Six Hundred and Twenty Seven Million cedis** (¢ 5,627,000,000.00).
- iii. Donor component of **One Trillion Five Hundred and Thirty Two Billion Eight Hundred and twenty Nine Million Cedis** (¢1, 532,829,000,000.00) and
- iv. **One Hundred and Sixty Billion Cedis** (¢160,000,000,000.00) coming from the HIPC Funds.

5.1 Government of Ghana (GoG) Sources

i.	Personnel Emoluments	-	55,043,000,000.00
ii.	Administration	-	14,979,000,000.00
iii.	Service	-	5,688,000,000.00
iv.	Investments	-	95,402,000,000.00
	TOTAL	-	171,112,000,000.00

5.2 Donor Component

i.	Service	-	306,566,000,000.00
ii.	Investment	-	1,226,263,000,000.00
	TOTAL	-	1,532,829,000,000.00

5.3 Internally Generated Funds

i.	Personnel Emoluments	-	726,000,000.00
ii.	Administration	-	360,000,000.00
iii.	Service	-	3,820,000,000.00
iv.	Investment	-	721,000,000.00
	TOTAL	-	5,627,000,000.00

5.4 HIPC Funds Allocation - 160,000,000.00

5.5 Personnel Emoluments

An amount of **Fifty-Five Billion, Seven Hundred and Sixty-nine Million Cedis (¢55,769,000,000.00)** being an amount of **Fifty-five Billion and Forty-three Million cedis (55,043,000,000.00)** from the Government of Ghana and **Seven Hundred and Twenty-six Million Cedis (726,000,000.00)** as Internally Generated Fund components have been provided as personnel emoluments for the staff of the Ministry of Water Resources, Works and Housing, its Departments and Agencies. This amount is to cater for Salaries, Contract Appointments, Daily rated expenses and Social Security Contributions.

5.6 Administration

Concerning its administrative expenses, the Ministry has been allocated an amount of **Fifteen Billion, Three Hundred and Thirty-nine Million Cedis (¢15, 339,000,000.00)**. This amount is made up of **Fourteen Billion Nine Hundred and Seventy Nine Million Cedis (¢14,979,000,000.00)** from the Government of Ghana and **Three Hundred and Sixty Million Cedis (¢360,000,000.00)** from Internally Generated Funds.

The said amount is to be employed for the day to day business of the Ministry and institutions under its authority.

5.7 Service Activities

The Ministry has been allocated a total of **Three Hundred and Sixteen Billion and Seventy -Four Million Cedis (¢316,074,000,000.00)** with an amount of **Five Billion Six Hundred and Eighty-Eight Million Cedis (¢5,688,000,000.00)** as Government of Ghana (GoG) component, a Donor Component of **Three Hundred and Six Billion,**

Five Hundred and Sixty-six Million Cedis (¢306,566,000,000.00) and an Internally Generated Component of **Three Billion Eight Hundred and Twenty Million Cedis (¢3,820,000,000.00)** for its Service activities. This is meant for the purchase of materials and consumables, training, stationery, printing, publications, travel and transport.

5.8 Investment

A total amount of **One Trillion Three Hundred and Twenty Two Billion Three Hundred and Eighty Six Million Cedis (¢1,322,386,000,000.00)** has been allocated for investments for the Ministry.

The amount comprises **Ninety-five Billion, Four Hundred and Two Million Cedis (¢95,402,000,000.00)** from the Government of Ghana funds, a Donor component of **One Trillion Two Hundred and Twenty Six Billion, Two Hundred and Sixty Three Million Cedis (¢1,226,263,000,000.00)** and an Internally Generated Fund Component of **Seven Hundred and Twenty One Million Cedis (¢721,000,000.00)**. This would cater for vehicles, construction, drainage and hydrological works as well as facilitation of housing projects.

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

It was noted that the Ministry plans to allocate to the rural water sector an amount of **Six Hundred Billion Cedis (¢600,000,000,000.00)** while urban water receives more than **Five**

Hundred and Ten Billion Cedis (¢510,000,000.00) for the coming year.

The Committee also noted that access to potable water for rural communities in the country had increased from 46.4% in 2003 to 58.5% in 2006.

However, the Committee learnt that whereas countries in the sub-region were allocating over 10% of their budgetary allocations to the Water Sector annually, Ghana committed less than 5% of its total budget.

The Committee learnt with delight that finally the long awaited National Housing Policy Document has been completed and pending cabinet consideration and approval. It was noted that the policy would set the framework and standards for the construction and delivery of decent, safe and affordable housing units as well as office buildings, other landed properties and the development of local building materials industry.

The Committee observed that the Ministry had changed its initial plans of selling the low-cost houses to individuals, and would now sell them to the Metropolitan, Municipal and District Assemblies.

It is noted that the proceeds or revenue accruing from the sales would be used to continue the construction of affordable houses throughout the country.

In the area of storm drainage and sanitation works, the Committee learnt that the Ministry has plans to undertake the construction of a number of storm water drainage and sanitation systems in all the

regional capitals to improve on sanitation and ensure sustainable environment.

In order for the Korle Lagoon to serve as a tourist centre, the Committee was informed that work would soon begin with the dredging of the Korle Lagoon, desilting of the Odaw, as well as the three feeding canals, and relocation of Old Fadama (Sodom and Gomorrah) to a new site at Adjin Kotoku near Amasaman.

Concerning the Peduase Lodge, it was observed that work is almost completed but left with the installation of a telephone system, horticultural, lighting and security works as well as auxiliary work which will be completed by the first quarter of 2007. The Ministry was optimistic that the Lodge would be ready before Ghana's 50th Anniversary Celebration.

6.2 Ghana Water Company Limited

The Committee observed concerning the Water Company that most of its projects that it begun last year were still on going.

It was noted that the Kwanyaku water supply expansion project which was being funded by the Netherlands Government was ongoing.

The Committee also learnt that expansion works at the Kpong, Cape Coast, Tamale, Koforidua, Sunyani, Baifikrom, Wa, Worawora and Kumasi water supply systems were all in progress.

Concerning adequate supply of water to sections of the Accra Metropolis, the Committee observed that the company had plans to improve upon water supply to Adenta and its environs. It was also noted that newly developing communities that lie between Dodowa and Adenta were also to benefit from the project.

The Committee observed with regret the inability of the company to fully compensate the people of Weija, Owabi and Barekese on lands acquired for the purposes of using those water bodies for Water Supply.

The Committee learnt that whereas the people of Barekese were demanding Seventy Billion Cedis (¢70,000,000,000.00) as compensation only an amount of Three Billion Cedis (¢3,000,000,000.00) had been set aside for compensating all affected communities.

The Committee was satisfied with steps taken by the company to build and rehabilitate Water Treatment Plants in the ensuing year noting further that such initiative would hasten the realization of the GPRS goals through the eradication of Guinea worm in the Country.

6.3 Community Water and Sanitation Agency

The Committee was informed that the Community Water and Sanitation Agency (CWSA) was mainly donor funded. This was evidently demonstrated by the large difference between the GOG aspect of the 2006 Budget which was ¢4,698,970,023 while the donor funding made up for the rest of the Thirteen Billion, Four Hundred eighteen Million, Three Hundred Thousand Cedis (¢13,418,300,000.00).

The Committee noted that the CWSA had an impressive target to distribute boreholes, house hold VIP latrines and household KVIP latrines in the country. They have targeted about 1,200 boreholes and 3000 Household latrines.

The Committee however was not in support of the 5% contribution the Communities have to make towards the drilling of boreholes. Whereas Urban Centres pay almost nothing for extension of water facilities, rural areas have to pay 5% service charge for drilling of boreholes. This the Committee viewed as unfair.

6.4 Hydrological Services Department

It was noted that the objective of the Department was to promote rural and urban infrastructure development and the provision of basic services.

Concerning coastal protection, it was observed that the Department would undertake various coastal protection programmes to protect life and property in the following coastal towns; Dixcove, Axim, Elmina, Anomabo, Prampram, Ningo, Osu Castle.

The Committee noted that the Department intended to seek financial assistance from the Dutch Government to tackle the Ada coastal erosion problem. This initiative was found as very commendable.

The Committee was concerned about the delay which was often associated with the issuance of commencement certificates to the Department for their various projects.

It was also observed that monies allocated to them were inadequate since it could not carry out its project smoothly. It was noted that its 2007 allocation was **Eight Billion, Four Hundred Thousand Cedis (¢8,400,000,000.00)** which was woefully inadequate.

6.5 Water Resources Commission

The Committee observed that to enhance its work, the Commission had to develop regulations on drilling and groundwater development to be submitted to Parliament for adoption and implementation.

On the International level the Committee noted with satisfaction the technical cooperation with Burkina Faso to Safeguard Ghana's share in trans-boundary water issues.

The Committee observed with concern the lack of adequate professional staff for the Commission which had the effect of hampering its work.

It was also noted that, as one of its major activities for the year, the Commission would establish an Ankobra Basin Board with a full fledged institute and offices to carry out the coordination and management of activities in the Ankobra basin.

6.6 Public Works Department

The core business of the Public Works Departments is to take care of Government owned properties and this, the Department has strived to achieve over the years.

The Committee was informed that, the Public Works Department had widened its scope to include consultancy services and construction activities generating a revenue of **Four Billion and Eight Hundred Million Cedis (¢4,800,000,000.00)** in 2005.

The Committee noted that in addition to this additional scope of the Department, it was still maintaining the various Ministries, Departments and Agency buildings across the country.

The Committee was informed that about 250 government bungalows were in a very deplorable state and the Department would need an amount of **Sixty-three Billion Cedis (¢63,000,000,000.00)** to rehabilitate them.

The Committee expressed concern about the deteriorating nature of the equipments used by the Department and also the low staff level of the department.

6.7 Architects Registration Council

The Architects Registration Council is mandated under the Architects Decree, NLCD 357 OF 1969 to regulate and control the practice of architecture in the country.

The Committee noted that the Council intended to strengthen its process of operation by recruiting a substantive registrar and training various technical personnel in the various regions and districts.

The Committee, however, noted with concern the inability of the Council to internally generate its own funds to support some of its activities. It also noted that the training activities of the Council did not extend to private contractors in the country.

6.8. Rent Control Department

The Rent Control Department pursued its mandate of ensuring fair play, equity and justice in settling tenancy disputes.

The Committee observed that, the problem of accommodation for staff in the regional and district capitals, coupled with poor remuneration and conditions of service was affecting the operations

of the Department and discouraging potential staff from taking up appointments at the Department.

The Department informed the Committee of ejection threats from the Landlords of s rented offices in some parts of the country and the hiring of taxis y rent officers for lack of vehicles.

The Committee was however convinced of the enormous potentials the Department has to generate its own revenue.

6.8 Public Servants Housing Loan Scheme Board

The Public Servants Housing Loan Scheme Board was set up to assist Civil Servants to acquire their own residential property through the granting of mortgage loans.

The Committee learnt that out of **Four Hundred and Eighty Billion Cedis (¢480,000,000,000.00)** allocated to them, only **Three Billion Cedis (¢3,000,000,000.00)** had been released to them by MOFEP.

The Committee observed however that the Board had purchased ten flats at **Sixty-Five Million Cedis (¢65,000,000.00)** each.

6.10 Department of Rural Housing

The Department of Rural Housing continued with its aim of promoting rural development through the provision of affordable houses in the 2006 fiscal year.

The Committee observed that the Department uses local building materials and their prices were also very affordable. The Committee noted that, the budgetary allocation for the Department was very low.

Members therefore urged the Ministry to increase the budgetary allocation for the Department to ensure proper planning and better rural development.

The deplorable state of the Department's offices including the National Headquarters at Okponglo in Accra was an issue that saddened Members of the Committee and called on the Ministry to intervene.

The Committee agreed that payment that is yet to be made by monies paid to the Department by the Lands Commission to the Department should be paid into the Consolidated Fund since the Department does not generate funds internally.

6.11 Technical Service Centre

The picture captured by the Committee on the Technical Service Centre was one of a Department under stress.

It was noted with grave concern that only Forty per cent (40%) of the personnel emolument was approved last year thereby leading to staff lay offs at the Centre.

The Committee generally agreed that the Technical Service Centre was an important embodiment of the Ministry whose budgetary allocation needs to be released in time to meet their budgeted needs. They also urged the Ministry to increase the budgetary requirement of the Department to enhance staff recruitment.

7.0 RECOMMENDATIONS

The Committee would like to bring to the attention of the House the following recommendations which came up during the discussions with the Ministry, its Departments and Agencies.

- (i) Recognizing the importance of money to the implementation of almost all projects and plans envisaged, the Committee would want to call on the Ministry of Finance and Economic Planning to ensure the timeous release of funds to the Ministry.
- (ii) Concerning the Ministry's intention to rather sell the low cost houses to District Assemblies, the Committee recommends that it also looks into the possibility of selling them en masse to the Public Servants Housing Loan Scheme Board so as to benefit civil and public servants.
- (iii) The Committee also recommends that the Ministry ensures that it pays adequate compensation to landowners whose properties have been affected by dams especially in the Weija, Owabi and the Barekese areas to forestall encroachment.
- (iv) It is recommended that the Ministry should take immediate steps to secure the lands allocated to the Departments of Rural Housing that is being seriously encroached upon by private estate developers and also increase their budget allocation significantly.
- (v) Similarly , it is recommended that the Ministry should put in place plans to acquire permanent structures for the Rent Control Department in all districts and regional capitals or in the alternative to ensure that their rents are promptly paid for.

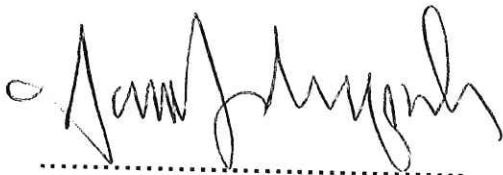
It is also recommended that the Department be given the mandate to increase the Department charges to enhance its work.

- (vi) The Committee further recommends that the Personnel Emoluments component of the Architects Registration Council should be released to enable them appoint a substantive registrar and needed staff to run the affairs of the Council and also to increase service allocation to the Council in order for them to accomplish their set goals.
- (vii) The Committee would also like to recommend to the Architects Council to extend their training programmes to cover local private contractors.
- (viii) The Committee recommends that the Five per cent (5%) contribution which beneficiary communities have to pay before they benefit from CWSA projects be reviewed in the light of the inability of the communities to raise the capital. Government is thus being urged to take up this five per cent (5 %) component if possible.
- (ix) The Ministry is also being urged to give approval to the Water Resources Commission to engage more professional staff to run the affairs of the Commission.

8.0 CONCLUSION

Mr. Speaker with the firm knowledge and belief that the provision of water and shelter are essential to the development of every nation and with the hope that these recommendations when adopted would go a long way to help the Ministry its departments and agencies to achieve their set goals and targets, the Committee recommends to the House for approval, the sum of **One Trillion Eight Hundred and Sixty Nine Billion, Five Hundred and Sixty Eight Million cedis (¢1,869,568,000,000.00)** from a combination of GoG, Donor, IGF and HIPC sources for the 2007 operations of the Ministry of Water Resources, Works and Housing.

Respectfully submitted.



.....
HON. SAMUEL JOHNFIAH
(COMMITTEE CHAIRMAN)



.....
EVELYN BREFO-BOATENG
(PRINCIPAL ASSISTANT CLERK)