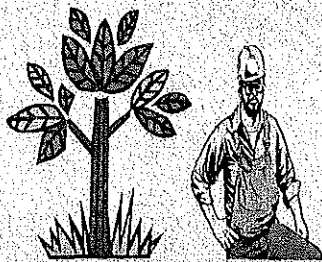


**IN THE SECOND SESSION OF THE
FOURTH PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA**



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

**ON THE
2007 ANNUAL BUDGET ESTIMATES OF
THE MINISTRY OF LANDS, FORESTRY
AND MINES**

8th December 2006

INTRODUCTION

1. The Budget Statement and Economic Policy of the Government for the 2007 fiscal year was presented to Parliament by the Hon. Minister of Finance and Economic Planning on Thursday, 16th November 2006 in accordance with Article 179 of the 1992 Constitution of Ghana. The Budget Estimates of the Ministry of Lands, Forestry and Mines (Volume 13) were accordingly referred to a Joint Committees of Lands and Forestry and, Mines and Energy for consideration and report pursuant to Orders 140(4), 152(b) and (o), 177 and 188 of the Standing Orders of the Parliament of Ghana.
2. The Committee met with the Hon. Minister of Lands, Forestry and Mines, heads of agencies and officials of the Ministry and deliberated thoroughly, the estimates of the Ministry.
3. The Joint Committee wishes to express its gratitude to the officials who acknowledged its invitation and attended its Sittings.

REFERENCE

4. Your Committee referred to the following documents at its deliberations:
 - i. The 1992 Constitution of Ghana
 - ii. The Standing Orders of the Parliament of Ghana
 - iii. The Budget Statement and Financial Policy of Government for the year ending 31st December 2007.

MISSION STATEMENT

5. According to its Mission Statement, the Ministry of Lands, Forestry and Mines exists to ensure the sustainable management and utilization of the nation's lands, forests, wildlife and mineral resources for the socio-economic development and growth of Ghana. This is to be achieved through:

- (1) Efficient formulation, implementation, co-ordination, monitoring and evaluation of policies and programmes of the sector agencies.
- (2) Efficient management of public and stool lands as a means to ensure equitable land delivery.
- (3) Promoting effective inter-agency and cross-sectoral linkages.
- (4) Promoting sustainable forest and wildlife resource management and utilization.
- (5) Creating an enabling environment for effective private participation.
- (6) Promoting effective community participation in multiple uses of land, forest and wildlife resources.

6. In doing all these, the Ministry of Lands, Forestry and Mines will promote transparency and deliver its services effectively for the benefit of present and future generations.

OBJECTIVES

7. 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, benefits sharing from and security to land and forest resources.
- (iii) Promote public awareness and local communities' participation in sustainable management and utilization of forest, wildlife, land use and mineral resources;

- (iv) Review, update and consolidate existing legislation and policies affecting natural resources management.
- (v) Promote and facilitate effective private sector participation in land service delivery, forest, wildlife and mineral resource management and utilization.
- (vi) Put in place an effective land, forest and wildlife planning to increase benefits derived from these resources.
- vii. Develop and maintain effective institutional capacity and capability at the national, regional, district and community levels for land, forest and wildlife service delivery.
- viii. Develop and research into problems of forest and wildlife resources and land use.

PERFORMANCE FOR 2006

Lands Sub-Sector

8. Agencies under the lands sub-sector of the Ministry of Lands, Forestry and Mines include Lands Commission (L.C.), Land Title Registry (L.T.R), Land Valuation Board (L.V.B), Survey Department and the Office of the Administrator of Stool Lands (OASL). The Ministry's land sub-sector programmes are being implemented under the Land Administration Project (LAP). The sub-sector successfully carried out some activities in the previous year. Some of these include the following;

- ▶ As part of the Land Administration Project (LAP), four additional Customary Land Secretariats have been established at Dormaa Ahenkro, Sandema, Odukpong Kpehe and Kete-Krachi. This is to provide support to the customary land owners to better administer their lands and also serve as local sources of information on such lands.
- ▶ Cabinet approved the legal and institutional reforms for land administration to create an efficient, effective and transparent system with the objective of establishing a unified one-stop-service

land administration system. A drafting committee comprising all the key stakeholders was constituted to draft the new laws.

- ▶ Four Deed Registries registered a total of 4,257 deeds. Two more registries will be established in Wa and Bolgatanga by end 2006.
- ▶ Inventory of State Acquired/Occupied Lands in the Central Region has been completed with the exception of the lands covered under the Hemang acquisition. A total of 1,144 sites were covered out of which 346 were District Assembly properties (i.e. basic schools, lorry parks etc.). Field work on the Hemang lands acquisition restarted in August 2006. The procurement of private sector participants in the inventory of State acquired/occupied lands in the Eastern, Ashanti and the Brong Ahafo Regions is ongoing and it is expected that field work will start by end 2006.
- ▶ Verification of survey maps and parcel plans for systematic titling in two sections in Accra involving about 2,800 parcels has been completed. Satellite offices are being constructed in the pilot areas for the title registration exercise to begin.
- ▶ Revaluation of immovable properties was carried out for five Metropolitan, Municipal and District Assemblies.
- ▶ Valuations of land, crops and buildings were carried out to advise Department of Urban Roads (DUR), Ghana Highways Authority (GHA), BOST, Ghana Water Company Ltd (GWCL) and other organizations on compensation payment. The projects include:
 - Wenchi-Bambio Road
 - Sunyani-Achirensua Road
 - Circle-Achimota Road and Interchange
 - Buipe-Bolga Oil Pipe Line Project

Forestry Sub-Sector

9. The forestry sub-sector comprised of the Forestry Commission (F.C) and its three divisions - Forest Services Division (F.S.D), Wildlife Division (W.D) and the Timber Industries Development Division (T.I.D.D). Other agencies that come under the Commission include the Wood Industries Training Centre, College of Renewable Natural Resources and Resource Management Support Component. Activities undertaken by the sub-sector during the 2006 financial year include;

- ▶ The planting of a total area of 81,999 ha. under the forest plantation development programme and a consequential employment of about 46,058 persons on full time basis and around 1,049,833 on part time basis.
- ▶ An estimated 20,000 tonnes of maize and 8,000 tonnes of cocoyam were produced within plantation areas.
- ▶ The programme has also assisted in securing water catchment areas through establishment of plantations along banks and headwaters of rivers. It has also reduced land and soil degradation and improved environmental quality.
- ▶ A total of 476 individuals were given loans for re-forestation under the Micro-Credit Investment Scheme. In addition, 60 communities comprising 6 persons each from the ten regions were given grants under the Plantation Development Fund. A total of 7,508 individuals comprising 629 groups benefited from Community Investment Fund for mushroom farming, oil-palm processing, grasscutter rearing, gardening, among others.
- ▶ The Northern Savanna Biodiversity Conservation Project (NSBCP) assisted 138 communities under its Alternative Livelihood Programme. Of this, 45 communities benefited from mango plantations, 20 communities received low tillage equipment, and 30-

communities were provided with beehives for the production of honey.

- ▶ The Ministry is actively promoting the use of bamboo and Rattan as an alternative and supplement to the wood deficit in the country. In furtherance of this objective, the Ministry trained 172 persons in 4 communities in the management of bamboo natural stands propagation and harvesting. In addition, 159 persons were trained in bamboo and rattan furniture and craft making as well as construction skills.
- ▶ Competitive bidding for plantation timber resources were conducted in April 2006. The methodology for volume determination was achieved in consultation with key industry players.
- ▶ The design of the Validation of Legal Timber Project (VLTP) and competitive tendering for the procurement of the relevant equipment are far advanced and will be completed by end 2006.
- ▶ Engagement of public-private partnerships in the management of eco-tourism facilities in Kakum, Mole and Ankassa National Parks is far advanced and agreements are expected to be reached by end 2006.

Mines Sub-Sector

10. Digital mapping of 25 towns was completed and copies are available for the following activities:

- Property Rating
- Preparation of settlement planning schemes by district and metropolitan planners.
- Road construction and estate development
- Land management including land titling, and resolution of land disputes
- Investment planning and tourism promotion

OUTLOOK FOR 2007

Lands Sub-Sector

11. The activities under the Land Administration Project will be deepened. The following activities will be continued:

- The drafting of new legislation for land administration and institutional reform will be completed and laid before Parliament. It is expected that the new laws will be passed in 2007.
- Inventory of State lands will continue in the 3 Northern Regions. The inventory exercise in the Eastern and Ashanti Regions will be completed.
- 8 new Customary Land Secretariats will be established while databases will be developed for 4 of the established secretariats – Wassa Amenfi, Gbawe, Kyebi and Dormaa Ahenkro.
- Procurement processes for the construction of one-stop-service centre for land administration will commence with designs and soil tests.
- Computerization of the existing land sector agencies will continue and the business processes will be completed by September 2007.
- Two Deed Registries will be established at Cape Coast and Ho to bring the total number of registries to ten. This will complete the establishment of the registries.
- Human resource capacity development will be undertaken to train the staff of the land sector agencies in computerized records management, mapping and cadastral systems, and database management.
- Collaborate with the Millennium Development Authority to establish land title registration services in the Awutu-Efutu and Senya Districts as part of the MCC Project.

- ▶ The Survey Department, under LAP will undertake Aerial Photography of 12,000sq.km for selected areas to produce orthophotos which will serve as input for good land use planning. The Department will also take active role in the "writing of Claim" to the Extended Continental Shelf beyond the 200 Nautical Miles EEZ, to ensure that Ghana's claim is submitted to UN for consideration and approval before the deadline of 13th May 2009.
- ▶ The demarcation, survey and registration of allodial boundaries in selected cities and towns throughout the country will be undertaken to reduce stool/skin boundary disputes.
- ▶ The Land Valuation Board (LVB) in partnership with the Private Sector Valuers, will carry out the revaluation of properties within the Accra Metropolitan Assembly area, in order to update values of the properties and to add new properties to the Valuation List. It will also carry out the revaluation of properties within 3 selected District Assembly areas to help improve the revenue base.
- ▶ The Office of Administrator of Stool Lands will continue with the following activities:
 - Demarcation of farmlands of settler and tenant farmers in 3 regions to increase revenue and reduce conflicts.
 - Research into customary land issues and documentation of research findings to reduce land related conflicts and also assist in the formation of land banks.

Forestry Sub-Sector

12. Activities to be undertaken by the sub-sector during the 2007 financial year include:

- ▶ The Ministry will initiate key policy measures to improve forestry and wildlife contribution to national wealth. This is expected to

embody forest fiscal dimensions, as well as complementary institutional reforms to reduce both institutional and industry transaction costs, introduce transparency into forest transactions and improve capacity of the regulatory institutions.

- ▶ The Validation of Legal Timber Project (VLTP) initiated in 2005 will be brought to the piloting stage making it ready for a roll out by the end of the year. VLTP will essentially enforce the regulated harvest limit, contribute to securing forest revenues as well as assist government to meet its commitment under the future Voluntary Partnership Agreement with the EU as a means of securing Ghana's traditional wood products markets. The Voluntary Partnership Agreement is an EU initiative which seeks to deny access of illegal timber into the EU market. It is expected that the project implementation will improve the future cash flow scenario of the forestry sector.
- ▶ About 260 timber leases will be converted to timber Utilization Contracts. As a fiscal instrument, the conversions are expected to increase the generation of an additional ₵92.0 billion.
- ▶ Wildlife institutional capacity will be built to enhance management of competitive and transparent international tendering in respect of the commercialization of wildlife related infrastructure and investor confidence for large scale investments in eco-tourism facilities in the Kakum, Mole and Ankassa national parks.

Mines Sub-Sector

13. The Ministry will continue to regulate the use and handling of explosives through the issuance of permits and directing the manner in which explosives should be stored and or disposed off.

14. There will also be routine visits to all mines to conduct enquiries into chemical spillages, mine slope failures, machinery accidents and personal injuries and to give directives to prevent future occurrences.

15. The availability of geological data is very important for the continued viability of our mining industry. The Ministry will therefore continue with exploration and geological mapping of targeted areas to generate geological information for appropriate policy decision making and for dissemination to the general public, especially investors.

16. The Ministry will also continue to assist small scale mining cooperatives to improve upon their operations so as to create legal employment opportunities for those interested in small scale mining.

17. In pursuance of an alternative livelihood agenda the Ministry is embarking on the development of an oil palm estate within specific mining communities in the Wassa West District of the Western Region. This will hopefully create employment opportunities for the inhabitants who have resorted to illegal mining. A project document has already been prepared for this.

18. The Ministry will continue examinations of the various supervisory grades in the mining industry to ensure that a competent and well trained staff is made responsible at each level.

ESTIMATES FOR FISCAL YEAR 2007

19. The Ministry of Lands, Forestry and Mines has been granted a total sum of ₦720,617,000,000 to execute the above activities for the 2007 financial year. The total amount of ₦720,617,000,000 comprises a donor component of ₦279,698,000,000 with the remaining ₦441,099,000,000 funded by GoG, IGF and HIPC. The GoG figure is ₦129,463,000,000 whilst IGF is ₦221,636,000,000. An amount of ₦90,000,000,000 is to be supported from HIPC sources.

20. The 2007 allocation of ₦720,617,000,000 to the Ministry of Lands, Forestry and Mines represents an increase of ₦87,651,000,000 or 13.8% over last year's figure of ₦632,966,000,000. The details are attached as annexure A.

OBSERVATIONS

Payment of Timber Royalties

21. The Committee noted that payment of timber royalties to land owners and traditional authorities by the OASL had been erratic. Some of the royalties have been in arrears for almost a year. The Committee was informed that the current arrangement whereby royalties are collected by the Forestry Commission and paid into the latter's account and subsequently transferred to the Office of the Administrator of Stool Lands (OASL) for disbursement partly accounts for the delay.

22. In order to address the delays, the Ministry has introduced a new system whereby royalties for stool lands are paid directly into the account of the OASL as opposed to payments through the Forestry Commission (FC).

23. The Committee further noted that the formula for the sharing of timber royalties between OASL and FC has also been revised in favour of OASL and thereby transferring additional benefits to land owners and traditional authorities. Unlike the old arrangement where FC retained 60% of royalties emanating from forest reserves with the remaining 40% paid to OASL, under the new regime, FC and OASL receive 50% of the royalties respectively. Royalties from off-forest reserves however remain 40% for FC and 60% for OASL.

Allowances for Members of Lands Commission

24. Your Committee, in its Report on the Budget Estimates for the Ministry of Lands, Forestry and Mines for 2007, drew the attention of the House that allowances for Members of the Lands Commission and the Regional Lands Commissions had fallen into arrears for several years. The Committee in the said

Report urged the Ministry of Finance and Economic Planning (MOFEP) to ensure that adequate provision is made to cover the allowances of the Commissioners during the 2006 mid-year budget review.

25. Your Committee regrets to inform the House that this request, which was adopted by the House, was not acted upon by MOFEP. Thus, the arrears of allowances, as at the time of reporting, amounted to ₺2bn.

26. Regrettably, the Commission's GoG allocation for Administration for 2007 was only ₺1.01bn with IGF accounting for the remaining ₺2.8bn. It was noted that the total Administration vote of ₺3.8bn was inadequate to clear the arrears of allowances and also pay for allowances that would accrue in 2007, whilst at the same time cater for other activities under Administration.

27. The Committee was informed that some Commissioners have threatened legal action against government over the outstanding allowances.

28. Your Committee therefore wishes to once again, appeal to MOFEP to reconsider the allocation to the Commission and provide the latter with adequate funds to enable it pay the outstanding allowances in order to avoid any legal action against the government and its attendant cost implication.

Funding for LAP

29. The Committee noted that funding for the Land Administration Project is primarily from donor support. Government's commitment in the form of counterpart funding for the entire project amounts to US\$7.56m or 13.7% of the entire cost of the Project of US\$55.1m.

30. The total cost of the project for the first three years (2004-2006) amounted to US\$44.8m whereas only US\$9.4m (21%) has been disbursed as at

30th September 2006. Government's support towards the Project to date amounted to only US\$305,701 or 4% of Government's total commitment.

31. The erratic disbursement of funds from both donors and Government has seriously affected the implementation of the Project. The terms of the donor support require a 10% release of counterpart funding prior to disbursement by donors.

32. Your Committee wishes to recommend that MOFEP should ensure that counterpart funds are released on time in order to prompt disbursements from donors.

Arrears of Subscription Fees

33. Your Committee was informed that Ghana's indebtedness to the Regional Centre for Training in Aerospace Surveys (RECTAS) stood at US\$2.2m as at January 2005. The Centre trains African manpower in geo-informatics and allied fields such as remote sensing, cartography and geographical information system.

34. It was noted that Ghana's indebtedness was more than 50% of the total indebtedness of the other eight member countries which amounts to US\$3.9m.

35. Your Committee recommends that MLFM and MOFEP should collaborate and settle the outstanding debt.

Land Valuation Board

36. Your Committee once again wishes to urge the sector Ministry to consider the possibility of revising the statutes governing the operations of the Land Valuation Board to enable them charge professional fees for their services. The Board is currently permitted to charge for administrative expenses only and not the cost of valuation services.

The Minerals Commission

37. The Minerals and Mining Act of 2006, Act 703 establishes an Inspectorate Division, as a division of the Minerals Commission. The functions of the Mines Department were to be performed by the Inspectorate Division with the latter Department ceasing to exist. The estimates of the Inspectorate Division were therefore to form part of the estimates of the Commission under a single expenditure head.

38. The Committee however observed that the estimates of the Ministry were not presented in line with the requirements of Act 703; separate provisions have been made for the Minerals Commission and the Mines Department.

39. The Committee was informed that the Commission was in the process of re-aligning the previous administrative set-up to conform to the requirements of Act 703. A consultant has accordingly been engaged to develop the details of the re-alignment and this is to be completed early next year.

40. Your Committee urges the Commission to expedite action on the re-alignment in order to fulfill the requirements of the Act.

Mining Leases

41. Your Committee observed from the Budget Statement that two mining leases were granted to large scale mining firms during the year 2006.

42. The Committee however noted that there was no evidence to indicate that these leases were referred to Parliament for ratification as required by Article 268 of the 1992 Constitution which states that any transaction involving the grant of a right or concession to any person or body for the exploitation of any mineral, water or natural resource of Ghana shall be subject to ratification by Parliament.

43. The Committee was informed that the Commission is still processing documentation of the two leases and these would be submitted to Parliament when completed. According to the Minerals Commission approval has been granted by Cabinet and these would soon be laid before Parliament for ratification.

44. Your Committee recommends that the Ministry should as soon as practicable submit the two agreements to Parliament for ratification in conformity with Art. 268 of the Constitution.

Geological Survey Department

45. It was observed that out of the approved Investment Vote of ₦1.1bn for 2006, only about ₦500m was released to the Geological Survey Department. As a result of the above, the Department was unable to procure a Seismic Equipment for earthquake monitoring to replace its current analogue system.

46. Your Committee was informed that the cost of the digital Seismic Equipment was ₦4.2bn whereas the Investment Vote (GOG) of the Department for 2007 amounted to only ₦900m. This implies that the Department may not be able to procure the equipment in the coming year. The Committee was further informed that the current analogue equipment was obsolete with an attendant high maintenance cost.

47. Additionally, the Seismic equipment requires 24 hour electric power supply for its operation. A standby generator was accordingly procured for that purpose and the average running cost of the generator is estimated at ₦179m per annum.

48. Unfortunately the Department's allocation for Item 2 for 2007 was ₦1.4bn and this figure is to service the activities of the Head Offices and its six Regional Offices. This has been observed to be highly inadequate.

49. Earthquake monitoring is very essential to saving life and property. The Committee is accordingly recommending that MOFEP should consider reviewing upwards, the Department's allocation for Items 2 and 4 during the Mid-year Review to enable the Department effectively monitor earthquake and earth movement activities in the country.

RECOMMENDATION

50. Your Committee after careful examination of the draft estimates and with the assurance that the above observations will be taken on board by MLFM and MOFEP, accordingly recommends to the House to approve the sum of **Seven Hundred and Twenty Billion, Six Hundred and Seventeen Million Cedis (¢720,617,000,000)** for the Ministry of Lands, Forestry and Mines for the 2007 financial year.

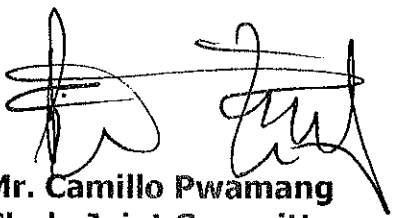
51. Respectfully submitted.



Hon. Ofosu Asamoah
Chairman, Committee on
Lands and Forestry



Hon. Gifty E. Kusi (Mrs.)
Chairperson, Committee
on Mines and Energy



Mr. Camillo Pwamang
Clerk, Joint Committee on
Lands and Forestry, and Mines and Energy

8th December 2006

MINISTRY OF LANDS FORESTRY AND MINES
2007 ALLOCATION

ANNEXURE A

AGENCY/DEPT	PERSONNEL EMOLUMENTS			ADMINISTRATION			SERVICE			INVESTMENT			TOTAL	
	GOG	DONOR	IGF	GOG	DONOR	IGF	GOG	DONOR	IGF	GOG	DONOR	IGF		HPC
GEN ADM	2,441,989,593			2,400,000,000			200,000,000			1,000,000,000				6,041,989,593
Forestry				150,000,000			70,000,000							220,000,000
Secretariat							70,000,000							220,000,000
Lands Secretariat				150,000,000			70,000,000							220,000,000
Mines Secretariat				231,000,000			49,000,000							628,000,000
Internal Audit	340,000,000						49,000,000							1,623,857,590,000
LAP							1,100,000,000			9,000,000,000				1,623,857,590,000
LAND	1,300,000,000						100,000,000			800,000,000				3,115,000,000
TITLE R.														
LVB	19,024,531,380			1,800,000,000			300,000,000			800,000,000				21,924,531,380
OASL	5,098,389,850			522,000,000			80,000,000			3,350,000,000				16,526,383,930
FORESTRY							500,000,000			10,000,000,000				21,000,000,000
PLANNING										2,500,000,000				8,000,000,000
SAVANNA										370,000,000				10,000,000,000
RES. CENT										400,000,000				1,881,000,000
BARADEP	120,000,000			330,000,000			231,000,000			400,000,000				1,650,218,487
SURVEY	8,890,218,487			1,870,000,000			3,137,000,000			2,733,000,000				184,150,511,445
DEPT														
FORESTRY	1,559,000,000						22,283,316,053			10,000,000,000				72,220,949,073
COMM.										72,220,949,073				3,500,000,000
FSD	19,248,700,000						22,387,000,000							4,833,800,000
WILDLIFE	7,001,000,000			1,500,000,000			300,000,000			5,000,000,000				7,000,000,000
DIVISION										7,000,000,000				7,000,000,000
TIDD														
REMIC	500,000,000						5,570,500,000							468,000,000
CNR	400,000,000													400,000,000
LANDS	9,998,904,117			790,000,000			2,803,000,000			1,708,000,000				10,553,000,000
COMM.										700,000,000				27,802,904,117
MINERAL COMM														
MINES DEPT	1,300,000,000			542,000,000			7,887,669,411			7,841,918,827				46,428,888,286
GSD	6,896,872,593			1,426,000,000			2,220,014,536			872,132,300				7,878,520,299
TOTAL	84,080,000,000			61,313,000,000			38,199,000,000			7,565,000,000			111,807,500,000	86,793,000,000
										24,753,000,000				167,708,600,000
														36,333,000,000
														90,000,000,000
														729,877,000,000