

IN THE FIRST SESSION OF THE THIRD
PARLIAMENT OF THE FOURTH REPUBLIC

REPORT OF THE
PARLIAMENTARY SELECT
COMMITTEE ON MINES &
ENERGY

ON

THE PERFORMANCE OF
CONTRACTORS ENGAGED
IN THE SELF HELP
ELECTRIFICATION
PROGRAMME (SHEP)

1.0 INTRODUCTION

A statement was made in the House by Hon. Member of Amansie West on 18th May, 2001 on abandonment, non execution and delay in the implementation of the Self Help Electrification project by Contractors and this was referred to the Committee in accordance with Article 103(2) and Standing Orders of the House for investigation and report.

2.0 BACKGROUND INFORMATION

The Self-Help Electrification Programme (SHEP) is a complementary Programme under the national electrification programme. It seeks to connect communities within a 20km distance from a suitable source of supply and who have taken the initiative to provide LV poles for their townships.

Between 1989 and 1994 SHEP-1 and SHEP-2 were executed connecting 50 and 250 communities. The implementation of SHEP-3 started in 1995 with the goal of covering about 1400 communities. Phase 1 of SHEP-3 covering 280 communities has been completed whilst service connection work is under way for phase 2 covering 494 communities.

Mr. Speaker, contracts were awarded to contractors for the commencement of SHEP-3 from August 2000 and it is expected to be completed by March 2002 and to cover 621 communities. The break down is as follows:

REGION	PHASE 1	PHASE 2	PHASE 3	TOTAL
Ashanti	81	118	123	322
Central	22	51	61	134
Eastern	12	78	16	106
Gt. Accra	2	4	22	28
Volta	74	65	93	232
Western	26	32	36	94
BrongAhafo	33	66	111	210
Northern	14	32	61	107
Upper East	16	19	41	76
Upper West	0	29	57	86
TOTAL	280	494	621	1395

3.0 METHODOLOGY

To carry out its investigation with fairness, objectivity and ease, your Committee decided to:

- (a) call for submission of memoranda by all MPs;
- (b) invite the Minister of Energy and his Officials;
- (c) invite the Chief Executive of V.R.A.;
- (d) invite the Managing Director and Officials of E.C.G.;

- (e) invite the consultants and contractors to the projects;
and
- (f) send a fact-finding team to some communities.

4.0 COMMITTEE SITTINGS

Your Committee met eight times in the course of the investigation.

5.0 ACKNOWLEDGEMENT

The Committee wishes to acknowledge the invaluable contribution of the Minister for Energy, His Deputy, the Ag. Chief Executive of VRA, The General Manager of ECG, the Ag. Director of VRA/NED, the Northern and Ashanti Regional Ministers, the District Chief Executives, chiefs and people of Savelugu-Nanton and Amansie West.

6.0 OBSERVATIONS

6.1 MEMORANDA

Mr. Speaker, your Committee observed that though there was a general expression of similar sentiments with regards to the non execution, abandonment and delay in the execution of SHEP 3 PHASE 3, the response of Members to the submission of memoranda to the Committee did not reflect the generally expressed opinion on the floor of the House.

It may interest the House to know that out of the 200 MPs served with memoranda only 12 MPs responded.

Similarly, out of ten Regions served with memoranda only Upper East, Northern and Ashanti Regions responded. The inability of most Regional Ministers and MPs to provide the

necessary information to the Committee was not helpful to the cause of the Committee.

6.2 ELECTRICITY COMPANY OF GHANA (ECG) AND VOLTA RIVER AUTHORITY (VRA)

Mr. Speaker, the Committee observed that the ECG and the VRA provide engineering service to the Self-Help Electrification Programme.

Under the SHEP, the country is divided into Northern and Southern Zones. The VRA/NED is charged with the provision of technical engineering services to the Northern Zone which covers the geographical area of the Brong Ahafo, Northern, Upper East, and Upper West Regions whilst the Southern sector which is made up of Ashanti, Volta, Western, Eastern, Central and Greater Accra is under the ECG.

6.3 CONSULTANTS AND CONTRACTORS

Mr. Speaker, as usual, consultants are appointed to offer technical advice and supervisory service to the Ministry of Energy in the award and implementation of contracts. To ensure effective implementation of projects, the Ministry of Energy engages consultants (engineers) who work closely with ECG and VRA/NED engineers in the project areas to ensure that all constructional works are done according to acceptable standards. They also ensure that contractors make progress with their work without undue delays and difficulties, and submit monthly Reports to the Ministry. Problems arising thereof are addressed.

The electricity Unit of the Ministry of Energy participates in the monthly site meetings and visits to projects.

6.4 MINISTRY OF ENERGY

The Ministry of Energy being responsible for the formulation and implementation of policies for the Energy needs of the Country is also responsible for the implementation of the Self-Help Electrification Projects.

Together with appropriate Bodies, the Ministry appoints consultants and awards contracts for efficient and effective implementation of Electrification Projects.

The Ministry is responsible for the provision of up to 70% of the material requirements of the SHEP, including poles and high-tension cables, as well as appropriate transformers, whilst the beneficiary communities provide the lay-out plan and poles for low-tension cables with at least 30% of the houses in the community being wired and ready for connection to the national grid.

6.5 FACT FINDING MISSION

➤ ZIENG

Mr. Speaker, your Committee first visited the Zieng traditional area in the Nanton Constituency.

Your Committee observed that SHEP 3 started as early as 1996. Low-tension poles have been erected with some lines drawn but the stringing is not completed due to inadequacy of materials. Also recent expansion in the community requires an additional 30 low-voltage poles to ensure that electricity reaches all parts of the community. Your Committee also observed that most of the people of Zieng are peasant farmers who do not have the resources to purchase the needed materials. The District Assembly assists this community with some of its share of the common fund which is woefully inadequate in view of other

pressing needs of the assembly such as education, health, sanitation and water supply.

➤ NANTON

The Committee visited Nanton and observed that lines have been drawn on high-tension to the town. Poles have been erected and some lines drawn, however, stringing has not been completed due to the same problem of resources.

➤ TAMPION

At Tampion, your Committee observed that lines have been drawn on high tension poles from a source in Savelugu, however the stringing on low voltage poles in the town has not been completed due to shortage of materials.

6.6 TRANSFORMERS

Your Committee observed that though shield wire transformers should have been provided to communities in the Nanton Constituency for a single phase, the wiring system as well as the transformers provided for the communities can take up to 3 phases.

These communities are major producers of cotton, rice and sheabutter. The Committee is therefore of the view that if Savelugu, which is the source of power to the Nanton Constituency is stepped up to 3 phase, the people of Nanton and Savelugu can establish cottage Industries to generate employment opportunities, especially for the youth.

At Savelugu the Committee observed that the single phase provided under the Program has made the established cottage industries become white elephant. Thus cornmills, ricemills and welding machines acquired by the people as a result of the Electrification Project cannot be used.

6.7 AMANSIE WEST

The fact-finding mission also visited Amansie West Constituency in the Ashanti Region.

At Amansie West the team visited Manso-Atwere, Agroyesoum, Adubea, Manso Nkwanta, Suntreso, Abore, Pakyi No. 1&2, Ahwerewa, Asouwin, Essase and Mpantuum projects.

The Committee observed that the presence of high-tension poles through most of the towns especially from Nkawie to the mining centres such as Bonte Mining Company. Step-down transformers needed by the communities have been provided, however, due to lack of funds and other needed materials the transformers have been left at the mercy of the weather.

At Mpatuam, the Committee observed that the Assembly in conjunction with the Bonte Mining Company has provided the community with Electricity outside the Self-Help Electrification Programme. The Committee wishes to commend the Assembly and the Bonte Mining Company for good job done.

➤ MANSO AGROYESUM

Your Committee observed that even though 5 step-down transformers have been provided for the surrounding communities, poles for high-tension cables are yet to arrive in the town. It may also interest the House to know that even though Manso Agroyesum has the highest incidence of Bruli Ulcer, the St. Martin's Catholic Hospital which is the only source of hope for those suffering from this dreadful disease has no electricity for its laboratories and major surgical operation.

Your Committee considers this phenomenon unfortunate as the area contributes a lot to mining and for that matter foreign exchange. The area is also noted for the production of foodstuffs and non-traditional exports.

Your Committee's interaction with Savior Electrical Company, one of the contractors on the Project revealed that at Pakyi No. 1 & 2, eleven out of thirty-nine poles for high tension cables have been provided. The fifteen remaining poles and string insulators are yet to be provided for work to continue.

At Amansie West, it was disclosed that the mining companies in the area have, as their social obligation, agreed to provide some communities with electricity alongside the SHEP. However, the companies require the Ministry of Energy's specification and approval.

The Committee finds this laudable and wishes to bring this to the Minister's notice for immediate action so that all the areas in question will be provided with electricity.

Mr. Speaker, your Committee observed that no contractor was at any of the project sites when the fact-finding mission visited the communities in the Nanton constituency. This was due to absence of needed materials.

Similarly, project sites were abandoned in the Amansie West constituency with the exception of Manso Agroyesum. The reason here too is inadequate funds and materials.

Mr. Speaker the following Constituencies and Districts face the same problems enumerated above.

1. Tolon/Kumbungu District
2. Saboba Cheropini District
3. Builsa District

4. Kasena Nankana District
5. Bawku West District
6. Bolgatanga District
7. Mion Constituency
8. Hohoe Constituency
9. West Mamprusi Constituency
10. Asutifi North Constituency
11. Okere Constituency
12. Nanumba Constituency
13. Lambussie
14. Techiman South
15. Savelugu

7.0 GENERAL CONSTRAINTS

Your Committee observed that there have been delays in the execution of the project due to difficulties associated with clearing of imported materials from the harbour. This is due to the inability of the Ministry of Energy to pay for the port charges due to cash flow problems.

Closely related to this was the institution of new taxes and levies, which eventually has led to the accumulation of unbudgeted demurrage charges.

7.1 INADEQUATE FUNDS

Mr. Speaker, your Committee observed that the delay in the implementation of SHEP 3 is due to inadequate funding. Though about ₦50 billion was budgeted for the continuation of SHEP 3 for the year 2001, only ₦10 billion was approved. Out of the approved ₦10 billion, the Committee is reliably informed that less than ₦5 billion is likely to be released to the Ministry of Energy.

Also, the 30% components of the Project to be borne by the local communities has contributed to the delays. Most of the people in the communities cannot pay their contributions. They are poor peasant farmers who depend largely on subsistence farming. The District Assemblies which are to assist such communities face the problem of late releases of their share of the Common Fund. These less fortunate communities have to wait till the Assembly finds money to assist them.

7.2 INADEQUATE PUBLIC EDUCATION

Mr. Speaker the Committee also observed that there is inadequate public education with regards to the implementation of the SHEP. Our investigation revealed that most of the Communities are not aware that the SHEP is supposed to be implemented in phases over a 30-year period. This has created an unhealthy rivalry among the communities for immediate connections to the national grid.

Communities which may be captured in SHEP 4, for example, have been blaming their District Assemblies and MPs for not fighting for their electricity needs. Because of this, people have tampered with high-tension cables passing through communities which are not scheduled for SHEP-3. They do not see why the lines should pass through their lands when they are not benefiting.

Members of some communities do not know that they have to provide their own L.V. poles. They have therefore been blaming the contractors for abandoning the project. They think the contractor has been given money for the purchase and haulage of L.V. poles for all communities. Consequently the contractors' advice to the people to contribute towards the purchase and haulage of the poles is often misconstrued to mean extortion of money from the local community as is the case in Amansie West.

8.0 RECOMMENDATIONS

In view of the above constraints your Committee urge the Ministry of Finance to release the District Assembly Common Fund in time to enable District Assemblies assist the extremely poor but qualified communities to benefit from the SHEP.

The Committee also observed that there has been general complains over the single-phase system being implemented under SHEP 3. In the Committee's view, the single-phase defeats the purpose of the Project creating job opportunities for the rural communities.

The Committee recommends that the Ministry should give the single-phase a second look so as to defuse the impression that electricity is only meant for radio and television etc.

Again, the Committee recommends that government should endeavor to make 3-Phase system available to all communities that are economically viable.

This, in the view of the Committee, will help arrest the rural-urban drift.

Following from this, the district assemblies, in planning their towns, should demarcate industrial sites to be served with 3-phase system.

The Committee, in considering the complexity of surveying for town layout, processing of application for consideration and procurement of L.V. Poles etc., is of the view that most communities on their own cannot take advantage of the SHEP.

The Committee therefore recommends that Regional Ministers and District Chief Executives should be committed to the task of helping the communities to access the programme.

On Public education, the Committee recommends that the Ministry of Energy should work closely with District Assemblies to educate communities on the aims, duration and how to access the Self-Help Electrification Project.

Furthermore, Villages and communities along High-Tension lines should be put on the project in order to prevent them from obstructing on-going projects.

The Committee wishes to state that the observations above are applicable to most constituencies in the country in reference to contributions made on the floor of the House when the matter first came up.

The Committee therefore recommends that government should tackle the problems of SHEP-3 holistically.

9.0 CONCLUSION

In conclusion the Committee wishes to state that apart from some contractors being the cause of delay in the implementation of SHEP-3 (Phase-3), the major constraint is the inability of government to make funds available for the procurement and conveyance of needed materials to project sites.

The Ministry must therefore step up the task of ensuring that consultants and contractors complete the project on scheduled time.

Respectfully submitted.


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CHAIRMAN, COMMITTEE
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INUSAH MOHAMMED
CLERK TO THE
COMMITTEE

OCTOBER, 2001