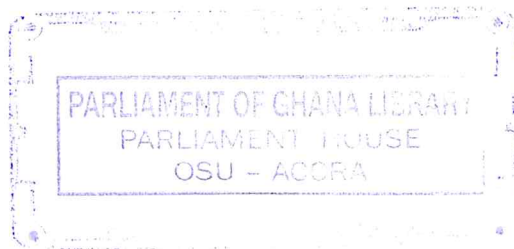


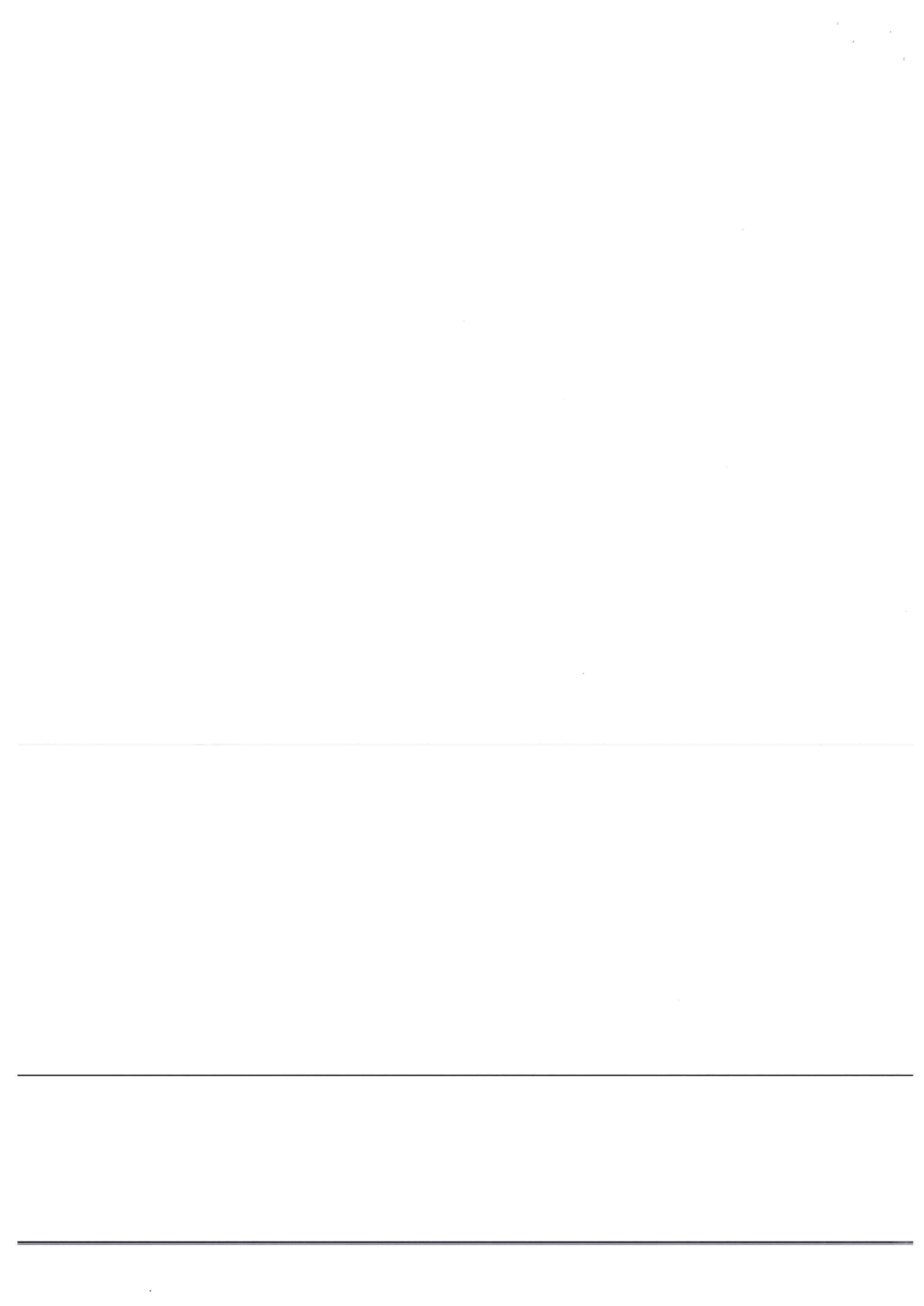
**IN THE FIRST SESSION OF THE SEVENTH  
PARLIAMENT OF THE FOURTH REPUBLIC OF  
GHANA**

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

**ON THE 2017 BUDGET ESTIMATES OF THE  
MINISTRY OF  
LANDS AND NATURAL RESOURCES**



**24<sup>TH</sup> MARCH, 2017**



## **1.0 INTRODUCTION**

- 1.1 The Budget Statement and Economic Policy of the Government of Ghana for the 2017 Financial Year was presented to Parliament on Thursday, 2<sup>nd</sup> March, 2017 by the Hon. Minister for Finance, Mr. Ken Ofori-Atta in accordance with Article 179 (1) of the 1992 Constitution of the Republic of Ghana. The Budget Estimates of the Ministry of Lands and Natural Resources were subsequently referred to the Committee on Lands and Forestry, and Mines and Energy for consideration and report pursuant to Orders (140)(4), 177 and 188.
- 1.2 During the consideration of the Estimates on Wednesday, 22<sup>nd</sup> March, 2017, the Committee met with the Minister for Lands and Natural Resources, Hon. John Peter Amewu and other officials of the Ministry of Lands and Natural Resources, and Schedule Officers from the Ministry of Finance.

The Committee is grateful to the Hon. Minister and his team as well as the schedule officers of the Ministry of Finance for their assistance.

## **2.0 REFERENCE DOCUMENTS**

The Committee made reference to the following documents during its deliberations:

- i. The 1992 Constitution of the Republic of Ghana.
- ii. The Standing Orders of Parliament.
- iii. The Budget Statement and Economic Policy of the Government of Ghana for the 2016 fiscal year.
- iv. The Budget Statement and Economic Policy of the Government of Ghana for the 2017 fiscal year.
- v. The Medium-Term Expenditure Framework (MTEF) for 2017-2019 and the draft Annual Budget Estimates of the Ministry of Lands and Natural Resources for the 2017 fiscal year.

### **3.0 AGENCIES UNDER THE MINISTRY OF LANDS AND NATURAL RESOURCES**

There are three (3) sub- sectors under the Ministry, namely: Lands, Forestry and Mines. The Lands sub- sector is managed by two (2) agencies, the Lands Commission (LC) and the Office of the Administrator of Stool Lands (OASL). The Forestry sub -sector is also managed by the Forestry Commission (FC). The Mines sub-sector is managed by three (3) agencies-the Minerals Commission (MC), the Geological Survey Department (GSD) and the Precious Minerals Marketing Company (PMMC).

### **4.0 MISSION STATEMENT OF THE MINISTRY OF LANDS AND NATURAL RESOURCES**

The Ministry exists to ensure the sustainable management and utilisation of Ghana's lands, forests, wildlife and mineral resources for the country's socio-economic growth and development. The Ministry is required to pursue this mandate through:

- i. Efficient formulation, implementation, coordination, monitoring and evaluation of policies and programmes;
- ii. Efficient and equitable land delivery;
- iii. Promotion of sustainable forest and wildlife resource management and utilization; and
- iv. Efficient management of mineral resources to catalyse sustainable development and facilitation of the promotion of effective inter-agency and cross sectoral linkages;



## **5.0 OBJECTIVES OF THE MINISTRY**

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

- i. Promote sustainable use and extraction of mineral resources;
- ii. Enhance natural resources management through community participation;
- iii. Strengthen institutional and regulatory frameworks for sustainable natural resource management;
- iv. Strengthen and develop local level capacity to participate in the management and governance of natural resources;
- v. Ensure the restoration of degraded natural resources;
- vi. Reduce the loss of biodiversity;
- vii. Reverse forest and land degradation;
- viii. Promote appropriate land use and management practices;
- ix. Maintain and enhance the protected areas;
- x. Facilitate the sustainable use and management of natural resources that support the development of rural communities and livelihoods;
- xi. Streamline spatial and land use planning systems;
- xii. Strengthen the human and institutional capacities for effective land use planning and management.

## **6.0 THE MINISTRY'S PERFORMANCE FOR 2016**

The Ministry undertook the following activities in 2016.

### **6.1 Mineral Resource Development and Management Programme**

In 2016, the Ministry developed minerals and mining policies to promote diversification to lesser-known minerals (Examples: iron ore, salt and limestone) and linkages between the mining sector and other sectors of the economy.

Also Ghana Geological Survey Authority Act 2016 (Act 928) was passed by Parliament to enhance new mineral discoveries throughout the country and to diversify the country's mineral resource base.

The Ministry also initiated the development of a fully-fledged computerised mining cadastral system to ensure accountability and compliance in the management of mineral rights to boost investment.

Under the Alternative Livelihood Programme (ALP), 12,000 and 23,000 acres of oil palm plantations were established at the Prestea Huni Valley and Ayanfuri-Dunkwa area in the Western and Central Regions respectively, to mitigate the socio-economic impact of mining on host communities.

## **6.2 Land Administration and Management Programme**

The Lands Commission established and operationalised five Client Service Access Units (CSAUs), in Bolgatanga, Tamale, Sekondi, Koforidua, and Accra to provide 'one-stop-shop' land service delivery. The units will also serve as front offices of the Land Title Registration Division.

In 2016, two new land administration district offices were also established in Bibiani and Tarkwa in the Western Region to ease pressure on the regional offices.

The Ministry, through the Land Administration Project (LAP2), developed the Ghana Enterprise Land Information System (GELIS), to transform the manual records into a digital format in order to improve on land title registration and assure security of tenure for land owners.

The Ministry, through the Office of the Administrator of Stool Lands also established 30 new Customary Land Secretariats (CLSs), to improve land management and administration at the customary level, under the Land Administration Project.

### **6.3 Forest and Wildlife Development and Management Programme**

As part of this programme, an estimated 185,971 m<sup>3</sup> of timber and tertiary wood products were exported to Europe, Asia and African markets out of an annual target of 225,000 m<sup>3</sup>. The Ministry engaged the private sector in forest fringe communities to plant 5,028 hectares of degraded forest reserves under a Private Public Partnership (PPP) arrangement.

In addition, a Rapid Response Unit established by the Ministry destroyed 104 illegal farms, *galamsey* huts, 155 Chagfarn mining machines and seized 14 gold detector machines used for illegal mining activities in forest reserves.

### **6.4 Budget Performance for 2016**

The Ministry of Lands and Natural Resources was allocated, GH¢293,846,645.00 for its activities in the 2016 fiscal year. Tables 1, 2 and 3 show the Ministry's budget performance in 2016 with respect to GoG, IGF and Donor funding.



**Table 1: 2016 Budget Performance-Expenditure (GOG) 2016**

INSTITUTION	BUDGETED	ACTUAL	VARIANCE	% VARIANCE
<b>Main Ministry</b>				
Compensation of employees	2,828,476.00	1,742,361.49	1,086,114.51	38.40
Goods & services	1,060,924.00	667,918.03	393,005.97	37.04
<b>Total</b>	<b>3,889,400.00</b>	<b>2,410,279.52</b>	<b>1,479,120.48</b>	<b>38.03</b>
<b>Lands Commission</b>				
Compensation of Employees	39,458,060.00	31,765,774.22	7,692,285.78	19.49
Goods and Services	600,000.00	151,000.00	449,000.00	74.83
<b>Total</b>	<b>40,058,060.00</b>	<b>31,916,774.22</b>	<b>8,141,285.78</b>	<b>20.32</b>
<b>Office of the Administrator of Stool Lands</b>				
Compensation of employees	3,660,302.00	3,595,460.54	64,841.46	1.77
Goods & services	100,000.00	40,137.99	59,862.01	59.86
<b>Total</b>	<b>3,760,302.00</b>	<b>3,635,598.53</b>	<b>124,703.47</b>	<b>3.70</b>
<b>FORESTRY COMMISSION</b>				
Compensation of employees	50,671,681.00	58,276,027.50	-7,604,346.50	(15.01)
Goods & services	300,000.00	125,000.00	175,000.00	58.33
<b>Total</b>	<b>50,971,681.00</b>	<b>58,401,027.50</b>	<b>-7,429,346.50</b>	<b>(14.58)</b>
<b>Geological Survey Authority</b>				
Compensation	3,242,605.00	2,944,974.62	297630.38	9.18
Goods and Services	100,000.00	610,118.98	- 510,118.98	( 510.12)
<b>Total</b>	<b>3,342,605.00</b>	<b>3,555,093.60</b>	<b>-212488.6</b>	<b>( 6.36)</b>
<b>Grand total</b>	<b>102,022,198.00</b>	<b>99,918,771.37</b>	<b>2,103,276.63</b>	<b>2.06</b>

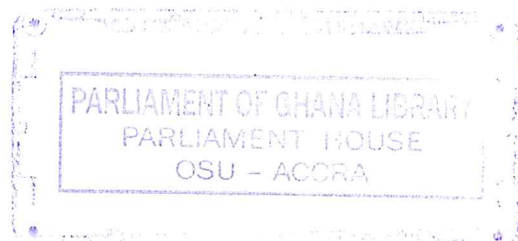
**Source: Ministry of Lands and Natural Resources**



**Table 2: 2016 Budget Performance-Expenditure (IGF)**

INSTITUTION	BUDGETED	ACTUAL (GHS)	VARIANCE	% VARIANCE
<b>Lands Commission</b>				
Goods & Services	20,931,857.00	18,630,923.46	2,300,933.54	10.99
Assets	31,397,786.00	7,245,358.54	24,152,427.46	76.92
<b>Total</b>	<b>52,329,643.00</b>	<b>25,876,282.00</b>	<b>26,453,361.00</b>	<b>50.55</b>
<b>Office of the Administrator or Stool Lands</b>				
Compensation	600,000.00	461,920.19	138,079.81	23.01
Goods & Services	3,438,061	4,120,557.89	-655,062.89	(19.85)
Assets	2,939,552	2,399,892.93	567,092.33	18.36
<b>Total</b>	<b>6,977,613.00</b>	<b>6,982,371.01</b>	<b>50,109.25</b>	<b>(0.07)</b>
<b>Forestry Commission</b>				
Goods & Services	31,551,650	52,126,038.23	-20,574,388.23	(65.21)
Assets	8,911,337	8,084,241.67	827,095.33	9.28
<b>Total</b>	<b>40,462,987</b>	<b>60,210,279.90</b>	<b>-19,747,292.90</b>	<b>(48.80)</b>
<b>Minerals Commission</b>				
Compensation	20,612,273.00	20,536,560.00	75,713.00	0.37
Goods & Services	14,883,408.00	14,800,622.00	82,786.00	0.56
Capex	3,850,976.00	2,158,373.00	1,692,603.00	43.95
<b>Total</b>	<b>39,346,657</b>	<b>37,495,555.00</b>	<b>1,851,102.00</b>	<b>4.70</b>
<b>Grand Total</b>	<b>139,116,900.00</b>	<b>130,564,487.91</b>	<b>8,607,279.35</b>	<b>6.19</b>

**Source: Ministry of Lands and Natural Resources**



**Table 3: 2016 Budget Performance-Expenditure (Donor)**

ITEM	APPROVED EXPENDITURE	ACTUAL EXPENDITURE	VARIANCE	%VARIANCE
<b>Goods &amp; Services</b>	<b>9,265,996.00</b>	<b>66,747,982.50</b>	<b>(57,481,986.50)</b>	<b>-620.3</b>
NREG		9,600,000.00		
FIP		35,428,563.75		
LAP II		21,719,418.75		
<b>CAPEX</b>	<b>37,063,986.00</b>	<b>12,364,061.25</b>	<b>24,699,924.75</b>	<b>66.6</b>
FIP		7,771,436.25		
LAP II		4,592,625.00		
<b>TOTAL</b>	<b>46,329,982.00</b>	<b>79,112,043.75</b>	<b>(32,782,061.75)</b>	<b>-71.</b>

**Source: Ministry of Lands and Natural Resources**

**Table 4: Revenue Performance 2016**

AGENCIES	TARGET / APPROVED IGF	ACTUAL COLLECTION	% ACHIEVED
<b>Forestry Commission</b>	40,461,987.16	80,204,428.53	198
<b>Lands Commission</b>	104,659,288.00	46,048,010.79	44
<b>Office of the Administrator of Stool Lands</b>	70,324,802.57	62,141,426.76	88.36
<b>Total</b>	215,446,077.73	188,393,866.08	

**Source: Ministry of Lands and Natural Resources**

## **7.0 THE MINISTRY'S OUTLOOK FOR 2017**

For the year 2017, the Ministry of Lands and Natural Resources will undertake the following activities, among others:

### **7.1 Mineral Resource Development and Management Programme**

In 2017, the Ministry will facilitate the approval and implementation of the Minerals and Mining Policy of Ghana to promote diversification to lesser-known minerals, and linkages between the mining sector and other sectors of the economy. This is expected to increase local content participation, among others.

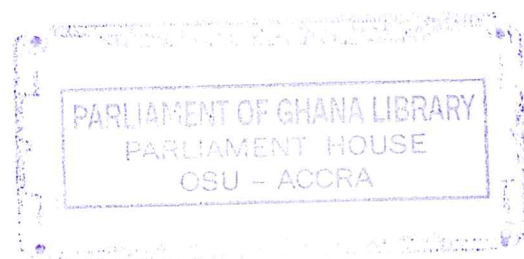
Also, the development of a fully-fledged computerised mining cadastral system would be completed in 2017. This would allow investors to apply for mineral rights online, and conduct cartographic searches in district offices.

### **7.2 Land Administration and Management Programme**

Under this programme, new land administration district offices would be established in the Ga East and Ga West districts in the Greater Accra Region to ease pressure on the regional offices.

District Offices and Clients Service Access Units will also be established to decentralise land administration services.

As part of Government's effort in ensuring a turnaround time of land title registration of 30 working days, the GELIS platform will also be completed to provide a holistic information system to allow all users to carry out their day-to-day business processes efficiently and effectively.





### **7.3 Forest and Wildlife Development and Management Programme**

To fully explore the eco-tourism potential of the Nation's Forest Reserves and increase the revenue base of our forest resources, the Ministry will continue to improve the ecotourism facilities in the following places: Mole National Park; Shai-Hills Resource Reserve; Kakum National Park; Ankasa Conservation Area and the Achimota Forest Reserve.

In addition, 20 more forest management plans will be developed and continue to enforce regulations to reduce illegal mining and logging in forest reserves.

The Ministry will also continue the National Plantation Development Programme.

## **8.0 BUDGETARY ALLOCATION FOR 2017**

8.1 A Total allocation of ***Three Hundred and Forty-Seven Million, Five Hundred and Sixty-Three Thousand, Three Hundred and Ninety-Three Ghana Cedis (GH¢347,563,393)*** has been allocated to the Ministry of Lands and Forestry and its Agencies for the 2017 fiscal year to enable it undertake its programmes and activities.

The budget of the Ministry in 2017 is largely funded by GoG (36%) IGF (31%), and DPs (33%) as indicated in table 5 above. However in terms of economic classification, compensation is largely financed by GoG (86.8%), Goods and Services largely by Donors (62.90%), while Capex is be financed largely by IGF (97%).



**Table 5: The 2017 Budgetary Allocation by Economic Classification and Sources of Funds**

Item	Compensation		Goods and Services (GH¢)		Capex (GH¢)		Total	%
	(GH¢)		%		(GH¢)		%	
<b>GOG</b>	118,866,225.	86.87	6,652,881.	3.66	600,000.	2.06	<b>126,119,106.</b>	36
<b>ABFA</b>	-		-		-		-	
<b>IGF</b>	17,971,388.	13.13	60,730,293.	33.43	28,480,033.	97.94	<b>107,181,714.</b>	31
<b>D.P</b>	-		114,262,573.	62.90	-		<b>114,262,573.</b>	33
<b>Total</b>	<b>136,837,613.</b>	<b>100</b>	<b>181,645,747</b>	<b>100.</b>	<b>29,080,033</b>	<b>100</b>	<b>347,563,393.</b>	100

**Source: Ministry of Lands and Natural Resources**

## **9.0 OBSERVATIONS AND RECOMMENDATIONS**

The Committee made the following observations and recommendations during the consideration of the Estimates:

### **9.1 Revenue Performance (IGF)**

The revenue performance of the Ministry as indicated in table 4 above, shows that, while the Forestry Commission exceeded its targets by 98%, the Lands Commission was able to collect only 44% of its revenue target in 2016. Also, the Office of the Administrator of Stool Lands met 88% of its revenue targets in 2016.

In their explanation, the Forestry Commission indicated that new sources of revenue were discovered, such as charcoal conveyance levy, sale of confiscated rosewoods, and revenue from ecotourism concession agreements. The Commission also informed the Committee that measures were put in place to improve on the

Commission`s financial reporting system which enabled them to capture all revenues collected within the period.

The Lands Commission attributed their poor performance in revenue mobilisation to a number of factors which included business process reengineering. This process required that all prospective clients met the requirement of a checklist before application forms were accepted and payments made. As a result, the number of applications were reduced, hence a reduction in revenue.

In the case of Office of the Administrator of Stool Lands, officials told the Committee that the non-tax revenue formulae used by the Ministry of Finance in setting the target was unrealistic, hence the inability to meet projected revenue. Secondly, the Administrator of Stool Lands officials indicated that they lacked sufficient revenue collectors. These revenue collectors were unfortunately enticed by more lucrative ventures, thus reducing the revenue collection.

## **9.2 Excess Expenditure in Appropriation**

The Committee observed that some of the Agencies exceeded their budget allocations in 2016. The Forestry Commission for instance expended GH¢58,276,027.00, on Compensation as against the approved sum of GH¢50,671,681.00. (Table 1)

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~~According to the Forestry Commission, at the time of preparation of the 2016 Budget, new salaries and conditions of service for staff had not been approved and therefore was not captured in the~~

budget. However, in the course of the year, this new salaries and condition of service was approved, which took effect from January, hence the increase in expenditure for compensation votes.

As indicated in Table 2, the Office of the Administrator of Stool Lands also expended GH¢4,120,557.89 on Goods and Services instead of the approved amount of GH¢3,465,495.00. Their explanation was that, most of the operations of the Stool Lands are goods and services based, yet the Ministry of Finance allocated a chunk of the 2016 budget to assets. The Administrator therefore sought the permission of the Ministry of Finance to vire from assets in order for the Agency to meet its operational expenses.

As shown in Table 2, the Forestry Commission also exceeded its expenditure on Goods and Services by GH¢20,574,388.00 from IGF. The Commission indicated that in the course of the year, the country's forests were increasingly being degraded and there was the need for a rapid response team to stop the incessant degradation. In the process, the excess amount was used to deal with the situation.

The Committee recommends that a portion of the ABFA allocation to the Agricultural Sector should be given to the Ministry to implement its National Plantation Development Programme.

It was also observed that the Main Ministry expended well in excess of approved Donor funds by over 71% (See Table 3). The Ministry of Finance attributed this excess expenditure to the fact that at the time of the preparation of the budget, work plans on the donor projects were being developed, and as a result, the



Ministry of Finance undervalued the Donor Partners` (DP`s) funding.

The Committee recommends that the Ministry of Finance and the Ministry of Lands and natural resources must endeavour to capture all expected Donor inflows to avoid budget overruns.

### **9.3 Capping on IGF retention**

The Committee observed that the 2017 Budget allocation for the Forestry Commission has its IGF capped at 66% instead of 100%. Also, Lands Commission`s IGF is capped at 33% instead of 50%, while the Office of the Administrator of Stool Lands` is capped at 66% instead of 100%.

The Committee expressed concern about the capping in respect of the Office of the Administrator of Stool Lands. This, the Committee noted is likely to raise constitutional issues, as provided under Article 267 (6).

The Committee recommends to the Ministry of Finance to revise its position at least in respect of the Administrator of Stool Lands.

### **9.4 Plans to deal with illegal mining in the country**

The Committee was informed that a comprehensive programme would be rolled out by the Ministry to stop the activities of illegal mining operations in the country which is now a major threat to national security and setback for Ghana`s sustainable development efforts. Among some of the programmes to be



implemented include a survey to identify suitable areas for Small-Scale Mining to mitigate the incidence of illegal mining; encouraging the Small-Scale Mining Companies to form cooperatives for easy management and to benefit from government support; putting tracking devices on heavy duty vehicles such as Excavators to monitor the operations and usage of such machines in the country; collaborating with the Security Services to enforce relevant regulations and laws; and implementing alternative livelihood programmes to provide other job opportunities in mining communities.

The Committee expressed worry about the effects of the illegal mining operations on water bodies, food production, cash crops and forest cover. The Committee accordingly urged government to step up effort at combating the devastating effect of illegal mining operators in the country.

#### **9.5 Support for the Ghana Geological Survey Authority**

The Committee noted that about ninety percent (90%) of the country's major mineral deposits such as gold, diamond and bauxite were discovered by the Ghana Geological Survey Authority. In addition, the Authority has provided geoscientific advice towards the construction of major infrastructural projects in the country such as the Akosombo, the Kpong and the Bui Hydroelectric Dams, the Accra-Tema Motorway and the Tema Harbour as well as monitoring of Earthquakes.

In spite of its significant contribution to the development of the country, the Authority continues to contend with a number of challenges due to financial constraints. The only source of funding came from government through annual budgetary allocations.

This has proved to be inadequate with its attendance late releases. It was in recognition of the acute financial challenges that Parliament provided the following under Section 21 of the Minerals Development Fund (MDF) Act, 912 (2016):

- That 8% of the Mineral Royalty payments made to the Ghana Revenue Authority shall be allocated to Ghana Geological Survey Authority; and
- That at least 40% of the 5% component allocated for Research and Training shall also be allocated to the Ghana Geological Survey Authority.

The Committee noted that in spite of the provisions under the law, no allocation from the 2017 projected revenue of GH¢82,174,665 into the Fund was provided for the Authority.

Given the challenges of the Authority and its strategic role in the exploitation of mineral resources in the country, the Committee urges the Ministry of Finance to abide by the law (Act, 912) or come to Parliament for a special dispensation. The Committee also recommends that the Ministry of Finance may consider allocating part of the Petroleum revenue to the Authority in subsequent years due to the crucial role the Authority plays in prospecting for new oil deposits.

#### **9.6 Non-Reliable Power Supply at the Central Seismological Observatory**

It was also brought to the attention of the Committee that the Central Seismological Observatory Device located at the Achimota Forest requires 24-hour power supply for constant monitoring of Earthquakes in the country. Unfortunately, the Device is on a pre-



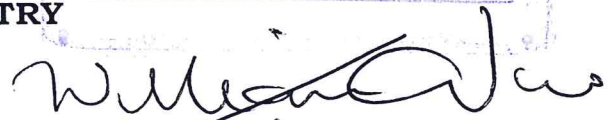
paid power metering which goes off once the credit is exhausted. The inadequate budgetary allocations to the Authority coupled with untimely releases of funds, makes it difficult for the Authority to ensure 24-hour continuous monitoring of Earthquakes in Ghana. Given the critical and sensitive nature of the Seismic equipment and records of potential eruptions in Ghana, the Committee recommends that the government should provide free power and uninterrupted electricity supply to the site.

## **10.0 CONCLUSION**

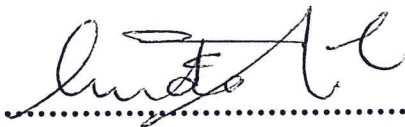
The Committee having carefully examined the Estimates, recommends to the House to adopt its report and approve the sum of **Three Hundred and Forty-Seven Million, Five Hundred and Sixty-Three Thousand, Three Hundred and Ninety-Three Ghana Cedis (GH¢347,563,393.00)** for the Ministry of Lands and Natural Resources for the 2017 financial year.



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**HON. BENITO OWUSU-BIO**  
**CHAIRMAN,**  
**COMMITTEE ON LANDS AND FORESTRY**



.....  
**HON. WILLIAM OWURAKU AIDOO**  
**CHAIRMAN, COMMITTEE ON MINES**  
**AND ENERGY**



.....  
**LINDA GYEKYE BOADU**  
**CLERK, COMMITTEE ON LANDS**  
**AND FORESTRY**



.....  
**JOAN A. S. ADJEI**  
**CLERK, COMMITTEE ON MINES**  
**AND ENERGY**

**24<sup>TH</sup> MARCH, 2017**

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