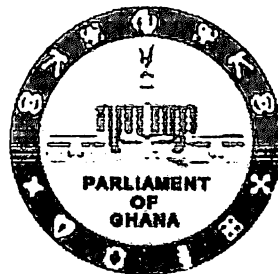


**IN THE FIRST SESSION OF THE EIGHTH PARLIAMENT OF THE
FOURTH REPUBLIC OF GHANA**



**REPORT OF THE COMMITTEE ON WORKS
AND HOUSING**

ON THE

**2021 ANNUAL BUDGET ESTIMATES OF THE
MINISTRY OF WORKS AND HOUSING**

MARCH, 2021

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

**REPORT OF THE COMMITTEE ON WORKS AND HOUSING ON THE 2021
ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF WORKS AND HOUSING**

1.0 INTRODUCTION

Further to Standing Order 140(4) of the Standing Orders of the House, the 2021 Annual Estimates of the Ministry of Works and Housing were committed to the Committee on Works and Housing for consideration and report following the presentation of the Budget Statement and Economic Policy of the Government for the financial year ending 31st December 2021 by the Hon. Minister for Parliamentary Affairs and Leader of Government Business, Mr. Osei Kyei-Mensah-Bonsu on Friday, 12th March 2021 in accordance with Article 179 of the 1992 Constitution of the Republic of Ghana.

2.0 DELIBERATIONS

The Committee was assisted in its deliberations by the Hon. Minister for Works and Housing, Mr. Francis Asenso Boakye, the Hon. Minister of State at the Presidency in charge of Works and Housing, Mrs. Freda Prempeh, the Chief Director, Mr. Solomon Asoalla, and a technical team from the Ministries of Works and Housing and Finance.

The Committee is grateful to the Hon. Minister, the Minister of State, and the technical team for the cooperation and assistance.

3.0 REFERENCE

The Committee referred to the under-listed documents during its deliberations:

- a) The 1992 Constitution of Ghana;
- b) The Standing Orders of the Parliament of Ghana;
- c) The Budget Statement and Economic Policy of the Government of Ghana for the 2020 Financial Year;

- d) The Budget Statement and Economic Policy of the Government of Ghana. for the 2021 Financial Year;
- e) The 2020 Annual Estimates of the Ministry of Works and Housing;
- f) The 2021 Annual Estimates of the Ministry of Works and Housing; and
- g) Oral and written submissions by the Minister and his technical team.

4.0 **BACKGROUND INFORMATION**

The Ministry of Works and Housing (MWH) is a government of Ghana Central Management Agency responsible for formulating, implementing, monitoring, and evaluating the policies and programmes for the works and housing sub-sector under the infrastructure sector of the economy.

4.1 **Vision and Goals**

The vision of the Ministry is to provide a robust and sustainable development of Works and Housing infrastructure. In line with the Sector Medium Term Development Plan of the Ministry, MWH has three (3) board sectoral goals in line with its mandate. The goals of the Ministry are:

- reduce the national housing deficit through the provision of adequate, safe, secure, quality, and affordable housing schemes in collaboration with the private sector
- reduce coastal and marine erosion and build a competitive and modern construction industry to protect life, property, and the environment
- address recurrent devastating floods and promote proper maintenance culture to protect life, property, and the environment

4.2 **Mission Statement**

The Ministry of Works and Housing exists to formulate, monitor, and evaluate the implementation of policies, plans, and programmes for the sustainable management of public landed properties, drainage, and coastal protection work, operational hydrology as well as safe, secure, decent, and affordable housing using technical expertise and innovative methods, for all people living in the country.

4.3 Sectorial Policy Objectives

The key policy objectives the Ministry is hoping to achieve over the medium term are:

- Reduce coastal and marine erosion
- Address recurrent devastating floods
- Provide adequate, safe, secure, quality, and affordable housing.
- Build a competitive and modern construction industry.
- Enhance the quality of life in rural areas
- Promote resilient urban development
- Enhance capacity for policy formulation and coordination

4.4 Core Functions

In line with Section 13 of the Civil Service Act 1993 (PNDCL 327), the Ministry shall:

- (a) Initiate and formulate policies, taking into account the needs and aspirations of the people;
- (b) Undertake development planning in consultation with the National Development Planning Commission; and
- (c) Co-ordinate, monitor, and evaluate the efficiency and effectiveness of the performance of the Sector”

Specifically, the Ministry of Works and Housing shall perform the following specific functions:

- (a) Initiate and formulate housing and works policies taking into account the needs and aspirations of the people.
- (b) Collaborate with MDAs to effectively disseminate information about Government policies, programmes, and activities of the sector.
- (c) Coordinate, monitor, and evaluate the efficiency and effectiveness of the performance of the Works and Housing Sector.
- (d) Develop appropriate regulations to stimulate competition;
- (e) Develop policies to build capacity for the sector;
- (f) Exercise oversight responsibility for the construction and maintenance of central strategic facilities;

- (g) Create an enabling environment to support government businesses and public-private partnerships within the sector.
- (h) Promote innovation, research and development, training, and investment in the sector
- (i) Support creative and innovative research in the production and use of local building materials.
- (j) Promote optimum peaceful co-existence of Landlords and Tenants through education and reconciliation
- (k) Monitor and Evaluate the implementation of policies and the performance of the sector

5.0 SUMMARY OF 2020 PERFORMANCE AND OUTLOOK FOR 2021

5.1 WORKS SECTOR

5.1.1 Infrastructure Management Programme

Activities under the infrastructure management programme are mainly coastal protection and drainage management.

➤ *Coastal protection works*

The government continued with the coastal protection works to protect the coastal settlement against beach erosion and flooding while protecting lives, livelihoods, and properties. Accordingly, the Dansoman, Axim, Amanful Kumah, Anomabu, and Elmina (Phase III) coastal protection projects are currently 90 percent, 90 percent, 61 percent, 43 percent, and 40 percent completed respectively. Other projects are at various stages of completion, they include Cape Coast (22%), Dixcove (30%) Komenda (30%), Aboadze Phase II (15%), and Ningo-Pramprah (15%);

➤ *Drainage management*

Furthermore, to mitigate the disaster risks associated with flooding in various parts of the country, the government continued with the implementation of the 2018 National Flood Control Programme. The current progress of works stands at 95 percent completion for the distilling and excavation works while the construction works are 51 percent complete.

The Government commenced the implementation of the Greater Accra Resilient and Integrated Development (GARID) Project. Consultancy assignments for the preparation of Environmental and Social Impact Assessment (ESIA) for the construction of detention ponds, urgent repairs, and bridges well as the Light Detection and Ranging (LIDAR) survey have commenced. Also, the procurement processes to engage a consultant to undertake the detailed engineering designs for the detention ponds, bridge reconstruction and urgent repairs on the channel, as well as the design and supervisor of the Flood Early Warning Response System (FEWRS) for Accra is far advanced.

5.2 HOUSING SECTOR

5.2.1 Human Settlement and Development Programme

The Ministry and its Departments and Agencies in consonance with Government's efforts to address the national housing deficit rolled out a number of flagship housing projects aimed at reducing the housing shortfall facing the country. Below is the summary of some of the achievements recorded in the housing sub-sector:

➤ ***Housing for Security Agencies***

The Phase III of the Security Services Housing Programme comprising the construction of 320 housing units at the Ghana National Police Training School, Tesano for the Ghana Police Service is currently about 30% complete.

➤ ***Affordable Housing***

The Ministry, under the arrangement with SSNIT, completed the Affordable Housing Project at Asokore Mampong known as the Osei Tutu Housing Estate.

The Kpone Affordable Housing Project comprising 24 blocks to provide 312 units of apartments handed over to TDCL was completed.

Under the National Housing Mortgage Fund Programme being piloted by the Ministry of Finance (MoF), TDCL completed the construction of 204 housing

units with ancillary facilities in Community 22 while the construction of 64№ housing units under the Site 3 In-filling Project is currently 90% complete.

Also, the Ministry has concluded engagements with the Ministry of Finance and State Housing Company Limited (SHCL) on the completion of the stalled Government Affordable Housing Projects at Koforidua, Tamale, and Wa. Accordingly, the Ministry has transferred all three (3) sites to SHCL for completion. Works have commenced at the Koforidua site and are progressing steadily. Subsequently, SHCL will commence work at the Tamale and Wa project sites.

State Housing Company Limited (SHCL) has also embarked on a number of housing projects across the country as part of the strategic efforts to revamp the Company to make it relevant in addressing the nation's housing deficit. Accordingly, the Company has completed 52№ housing units in Sangnarigu in the Northern Region while 32№ units of apartments and 6№ houses have also been completed at Adenta under the Marlow Court Project.

Also, work on the Urban Court Project which entails the construction of 40№ housing units or apartments at Adenta is 40% complete while the construction of 16№ housing units of an apartment under the Club House Redevelopment Project at North Kaneshie is currently 85% complete.

Also, the Company commenced the construction of 120№ housing units each in Sefwi-wiawso and Pwalugu, and the projects are currently 10% and 20% complete respectively. Additionally, the construction of 225 Housing Units at Oyoko Akrofrom under the John Agyekum Kuffour Estates is currently 60% complete. Other housing projects have commenced in the Central, Bono, Western and Upper West Regions and are progressing steadily.

The Ministry also engaged the services of the Ghana Institution of Surveyors (GhIS) to conduct an Audit to determine, among other things, the investment capital that will be required to complete the stalled 1,502 housing units under the Saglemi Affordable Housing Programme.

Also, under the Redevelopment Programme, 6N_o houses have been completed at Court 3, Roman Ridge, and allocated to Public Servants for occupation. The Ministry has commenced the construction of 121N_o housing units for public servants comprising 2- and 3-bedroom apartments as well as Townhouses at Airport and Ridge. The project is progressing steadily.

6.0 SUMMARY OF BUDGET ALLOCATION AND PERFORMANCE IN 2020

For the 2020 financial year, the Ministry of Works and Housing was allocated a revised budget of GH¢ 229,452,084.00. Out of the total budget for 2020, GH¢16,315,963.00 was for Compensation of Employees (COE), GH¢2,052,635.00 for Good and Services, GH¢ 80,000,000.00 and GH¢120,000,000.00 were to cater for Capital Expenditure from GoG and ABFA funding sources respectively. GH¢364,785.00 was for IGF Funds and GH¢ 10,718,700.00 represented Development Partner Funding.

This allocation was expended under the core expenditure items of the Ministry as follows:

Table 1: performance of Government of Ghana (GOG) Funding

| Economic Classification | Budget (GH¢) | Actual (GH¢) | Percentage (%) |
|--------------------------------|---------------------|---------------------|-----------------------|
| Compensation | 16,315,963 | 15,233,547 | 93.37 |
| Goods & Service | 2,052,635 | 1,331,159 | 64.85 |
| CAPEX | 80,000,000 | 80,000,000 | 100 |
| TOTAL | 98,368,598 | 96,564,706 | 98.17 |

Source: 2021 Budget Statement and MWH 2021 Programme Based Budget Estimates

Table 2: performance of Annual Budget Funding Amount (ABFA)

| Economic Classification | Budget (GH¢) | Actual (GH¢) | Percentage (%) |
|--------------------------------|---------------------|---------------------|-----------------------|
| Compensation | - | - | - |
| Goods & Service | - | - | - |
| CAPEX | 120,000,000 | 117,478,640 | 97.89 |
| TOTAL | 120,000,000 | 117,478,640 | 97.89 |

Source: 2021 Budget Statement and MWH 2021 Programme Based Budget Estimate

Table 3: Performance of Internally Generated Funds (IGF)

| Economic Classification | Budget (GH¢) | Actual (GH¢) | Percentage (%) |
|-------------------------|----------------|----------------|----------------|
| Compensation | - | - | - |
| Goods & Service | 364,785 | 139,695 | 38.89 |
| CAPEX | - | - | - |
| TOTAL | 364,785 | 139,695 | 38.89 |

Source: 2021 Budget Statement and MWH 2021 Programme Based Budget Estimates

Table 4: Performance of Development Partners (DP)

| Economic Classification | Budget (GH¢) | Actual (GH¢) | Percentage (%) |
|-------------------------|-------------------|------------------|------------------|
| Compensation | - | - | - |
| Goods & Service | - | - | - |
| CAPEX | 10,718,700 | 667,971 | 6 |
| TOTAL | 10,718,700 | 1,802,513 | 1,802,513 |

Source: 2021 Budget Statement and MWH 2021 Programme Based Budget Estimates

Table 5: SUMMARY OF EXPENDITURE FOR THE 2020 FINANCIAL YEAR

| No | FUND SOURCES | 2020 REVISED BUDGET (GH¢) | ACTUAL EXPENDITURE AS AT 31 st DECEMBER, 2020 | VARIANCE | % |
|--------------------|-------------------------------------|---------------------------|--|-------------------|------------|
| 1 | Government of Ghana (GOG) | 98,368,598 | 96,306,606 | 2,061,992 | 98% |
| 2 | Internally Generated Funds (IGF) | 364,786 | 139,695 | 225,091 | 38% |
| 3 | Annual Budget Funding Amount (ABFA) | 120,000,000 | 117,478,640 | 2,521,360 | 98% |
| 4 | Development Partner | 10,718,700 | 667,971 | 10,050,729 | 6% |
| GRAND TOTAL | | 229,452,084 | 214,592,912 | 14,859,172 | 94% |

Source: 2021 Budget Statement and MWH 2021 Programme Based Budget Estimates

Also, an additional amount of **GH¢86,016,173** was released from the Non-Road Arrears Vote to defray part of the Ministry's outstanding bills. Of this amount, actual payment as of 31st December 2020 stood at **GH¢85,916,999** representing **99.88** percent performance.

7.0 2021 BUDGET ALLOCATIONS

For the implementation of its programmes for the 2021 fiscal year, the Ministry has been allocated a total amount of *One Hundred and Seventy-five Million, Forty-six Thousand, Five hundred and Eighty-five Ghana Cedis (GH¢175,046,585.00)*. This consists of GH¢106,302,277.00 being GoG component for Employee Compensation, Goods and Services, and capital expenditure, GH¢730,131.00 being IGF to cater for Goods and & Services and Capex and GH¢68,014,227.00 being donor component for Goods & Services and Capex.

The GOG component of GH¢106,302,227.00 is broken down into: -

GH¢

| | | |
|--|---|---------------|
| i. Employee Compensation (i.e. Wages and Salaries) | - | 21,327,732.00 |
| ii. Goods and Services | - | 3,231,310.00 |
| iii. Capital Expenditure (CAPEX) | - | 81,743,185.00 |

The Internally Generated Funds (IGF) component of GH¢730,131 is also broken into:

GH¢

| | | |
|--|---|------------|
| i. Employee Compensation (i.e. Wages and Salaries) | - | 704,875.00 |
| ii. Goods and Services | - | 25,256.00 |

The Donor component of GH¢68,014,277.00 is also broken down as follows:

GH¢

| | | |
|--------------------------|---|---------------|
| i. Goods and Services | - | 11,703,349.00 |
| ii. Non-Financial Assets | - | 56,310,878.00 |

Details of the 2021 Budget Ceilings as allocated by the Ministry to the various Directorates, Departments, and Agencies for the 2021 programmes and sub-programmes of the Ministry are as indicated below:

| PROGRAMME | GH¢ |
|---|----------------------|
| Management and Administration | 12,109,218.00 |
| Human Settlement and Development | 25,196,858.00 |
| <i>Housing Directorate</i> | <i>10,834,439</i> |

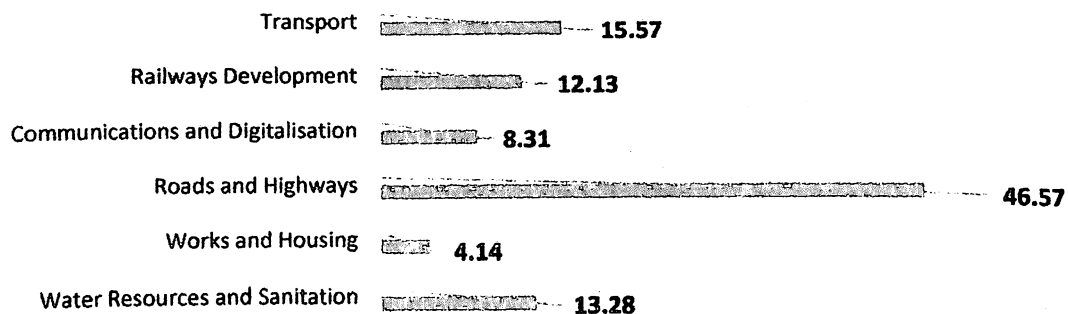
| | | |
|--|------------|------------------------------|
| <i>Housing Sector Management – Rent Cont. Dept</i> | 5,599,093 | |
| <i>Urban Housing Management- PSHLSB</i> | 1,521,741 | |
| <i>Rural Housing Management</i> | 1,681,081 | |
| <i>Management of Public Construction- ARC</i> | 3,152,135 | |
| <i>Management of Public Construction- Eng. Council</i> | 2,408,368 | |
| Infrastructure Management | | 137,740,510.00 |
| <i>Works Sector Management</i> | 79,284,313 | |
| <i>General Maintenance Management</i> | 14,059,025 | |
| <i>Drainage Management</i> | 19,297,172 | |
| <i>Coastal Management</i> | 25,000,000 | |
| <i>Operational Hydrology</i> | 100,000 | |
| Grand Total | | <u>175,046,585.00</u> |

8.0 OBSERVATIONS AND RECOMMENDATIONS

8.1 *Inadequate Resource Allocation to the Ministry*

The Committee noted that out of the total allocation of Ghc4, 225,382,831 allocated to the Infrastructure sector, a meagre GHc175,046,585.00 constituting only 4.1% was allocated to the Ministry of Works and Housing. The Committee realized that this is the least allocation compared to the other Ministries under the infrastructure sector. Graph 1 below shows the respective allocations to the Ministries under the infrastructure sector.

2021 BUDGET ALLOCATION TO THE INFRASTRUCTURE SECTOR



Source: 2021 Budget Statement and Economic Policy of Government

8.2 *Actual Budget against Planned Programmes*

The Committee observed that there is no proper correlation between the planned programmes of the Ministry and the actual budget allocation from the Ministry of Finance (MoF). The Committee further realized that to enable the Ministry, effectively and efficiently, implement its planned programmes for the year 2021 in the area of the management of the country's Coastal Protection Works, Storm Water Drainage Projects, Operational Hydrology, and Affordable Housing Schemes, the Ministry would require a budgetary allocation of not less than ***Two Billion Ghana Cedis***.

The Ministry has, however, been allocated an amount of *One Hundred and Seventy-five Million, Forty-six Thousand, Five hundred and Eighty-five Ghana Cedis (GH¢175,046,585.00)*. This acute budget situation, the Committee further learned, has culminated in an adhoc problem resolving approach ("fire-fighting") instead of a holistic approach that could fully deal with the various challenges that confront the sector.

The Committee is of the view that the planned programmes of the Ministry are very critical to the development agenda of the country, especially, in the pursuit and attainment of Goal 11 of the Sustainable Development Goals (SDGs). Furthermore, the Ministry's Human Settlement Programme detailed to roll out several housing projects would seriously be undermined with this meagre allocation.

Furthermore, considering the heavy capital requirements of the planned programmes and the fact that they cover important social infrastructure facilities which are critical for the socio-economic development of the economy, the Ministry would require additional resources outside the budgetary allocation to be able to provide these facilities. The Committee, therefore, recommends to the Ministry of Finance to ensure that additional funds are made available to support the operations and the planned programmes of the Ministry for the year 2021. The Committee also urges both Ministry of Works and Housing and the Ministry of Finance to explore alternative funding sources to enable MWH to effectively and efficiently carry out its mandate.

8.3 *Delay in the issuance of Commencement Certificate*

The Committee noted that delay in the issuance of commencement certificate plagued the Ministry during the year under review. It was explained, for example, that most of

the agencies under the Ministry namely PWD, Department of Rural Housing, Engineering Council, and Public Servants Housing Loans Scheme did not receive any commencement certificate for capital expenditure. The Committee was informed that the delay limited the achievement of the planned targets and results for the 2020 fiscal year.

8.4 *Huge Outstanding Commitments and Arrears*

The Committee was informed that due to delays and non-releases of budgetary allocations, coupled with delays in the issuance of commencement certificates for capital expenditure, the Ministry is saddled with huge outstanding commitments. The Ministry's indebtedness to contractors as of 31st December 2020 amounts to GH¢ **940,544,775.00**.

It was added that the Ministry expects to receive additional certificates for work done for the remaining months of the year, particularly for pre-financed projects. This, the Committee believes would eventually compound the outstanding bills and arrears of the Ministry and expose it to a potential risk of being hauled to the Law Courts for deferred/delayed payments.

The Committee, therefore, appeals to the Ministry of Finance to come to the aid of the Ministry to enable it to settle its indebtedness.

8.5 *Inability to Obtain Guarantees for Affordable Housing*

The Committee was informed that the Ministry, during the year under review, initiated discussions with several investors towards rolling out mass affordable housing schemes across the country. Nonetheless, the issuance of corresponding Guarantees by the Government is impeding progress since that continues to be a prerequisite for these investors to commence work. Though the Committee is not oblivious of the Ministry of Finance/ Government position on the provision of Sovereign Guarantee, it is of the view that these Guarantees would serve as a mitigating factor against uncertainty on the returns of, and on capital of the investors. The Committee urges the Ministries of Works and Housing and Finance to continue to collaborate in finding alternative sources of funding housing in the country. It is in this light the Committee lauds the National Housing Mortgage Fund Programme being piloted by the Ministry of Finance and also calls for its upscaling. Also, the Committee calls for a robust Foreclosure

Mortgage law to ensure certainty and speedy adjudication of mortgage-related disputes and conflicts.

8.6 *Completion of the stalled Saglemi Affordable Housing project.*

Responding to a question as to the status of the 1502 units Saglemi affordable housing project, the Minister informed that the Ministry engaged the services of the Ghana Institution of Surveyors (GhIS) to conduct an Audit to determine, among other things, the investment capital that will be required to complete the stalled 1,502 housing units under the Saglemi Affordable Housing Programme.

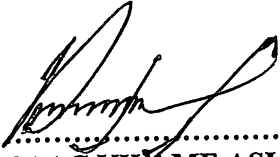
The Committee urges the Ministry to fast-track its processes to ensure the commencement and completion of the stall works on the project.

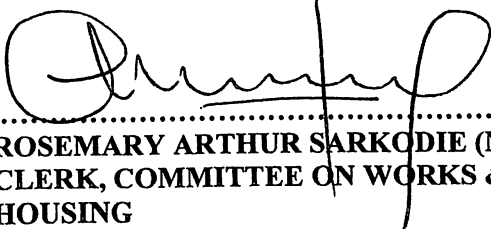
9.0 CONCLUSION AND RECOMMENDATION

Having regards to the strategic role of the Ministry in the development drive of the country, the Committee recommends to the House to approve the sum of ***One Hundred and Seventy-five Million, Forty-six Thousand, Five hundred and Eighty-five Ghana Cedis (GH¢175,046,585.00*** for the implementation of the Ministry of Works and Housing programmes and activities for the 2021 financial year.

Also, the Committee reiterates its appeal to the Ministry of Finance to come to the aid of the Ministry of Works and Housing by providing additional resources for the settlement of the huge outstanding financial commitments.

Respectfully submitted.


.....
HON. ISAAC KWAME ASIAMAH
CHAIRMAN, COMMITTEE ON
WORKS & HOUSING


.....
ROSEMARY ARTHUR SARKODIE (MRS.)
CLERK, COMMITTEE ON WORKS &
HOUSING

MARCH 2021