

**IN THE SECOND SESSION OF THE FIFTH
PARLIAMENT**

OF THE

FOURTH REPUBLIC OF GHANA

**REPORT OF THE COMMITTEE
ON
LOCAL GOVERNMENT AND RURAL DEVELOPMENT**

ON THE

**2011 ANNUAL BUDGET ESTIMATES OF THE
MINISTRY OF LOCAL GOVERNMENT AND RURAL
DEVELOPMENT.**

8TH DECEMBER, 2010

REPORT OF THE COMMITTEE ON LOCAL GOVERNMENT AND RURAL DEVELOPMENT ON THE 2011 ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT

1.0 INTRODUCTION

On Thursday 18th November, 2010 the Hon. Minister for Finance, Dr. Kwabena Duffuor, in accordance with Article 179 of the 1992 Constitution and Order 140 (1) & (2) of the Standing Orders of the House, laid before Parliament the Estimates of Revenue and Expenditure of the Government of Ghana for the 2011 Fiscal Year.

The Rt. Hon Speaker in accordance with Order 140 (4) of the Standing Orders referred the Draft Annual Estimates of the Ministry of Local Government and Rural Development to the Committee on Local Government & Rural Development for consideration and report.

The Committee met on Thursday, 2nd December, 2009 and considered the Annual Estimates of the Sector Ministry and in accordance with Article 179 of the Constitution and Order 181 of the Standing Orders reports.

2.0 ACKNOWLEDGEMENTS

During the deliberations on the Estimates, the Committee met with the Sector Minister, Hon. Joseph Yiekeh Chireh, Heads of the various Departments, Agencies and Projects of the Ministry and Officials from the Ministry of Finance and Economic Planning. The Committee is grateful to these persons for their invaluable contributions.

3.0 REFERENCES

In discussing the estimates, the Committee made reference to the following materials:

- a. The 1992 Constitution of the Republic of Ghana
- b. The Standing Orders of the House

- c. The Budget Statement and Economic Policy of the Government of Ghana for the 2011 financial year.
- d. The 2011 Draft Annual Estimates of the Ministry of Local Government and Rural Development, and
- e. Report of the Committee on the 2010 Annual Estimates of the Ministry of Local Government and Rural Development.

4.0 MISSION OF THE MINISTRY

The Ministry is mandated to ensure good governance and balanced development of Metropolitan, Municipal and District Assemblies (MMDAs) through the formulation of policies on governance, decentralization and rural development.

The Ministry is further authorized to design and deliver systems that would set targets for and monitor the performance of the MMDAs. The Ministry also develops and monitors sector plans and provides management advisory services to the Assemblies.

5.0 REVIEW OF 2010 BUDGETARY ALLOCATION

Under the year in review, Parliament approved an amount of **Two Hundred and Thirty-Three Million Eight Hundred and Eleven Thousand Seven Hundred and Ninety-Nine Ghana Cedis (GH¢233,811,799.00)** from a combination of GoG, Donor and HIPC sources for operations of the Ministry of Local Government and Rural Development for the financial year 2010.

2010 ALLOCATIONS AS REVIEWED

The breakdown of the Budgetary Allocation for the Sector Ministry for the 2010 Financial Year is indicated below in Table A:-

Table A

ITEM	GOG GH¢	IGF GH¢	DONOR GH¢	TOTAL GH¢
PE	72,748,751.00	-	-	72,748,751.00
ADMIN	660,918.00	-	-	660,918.00
SERVICE	561,309.00	-	-	561,309.00
INVESTMENT	2,389,040.00	-	88,451,781.00	90,840,821.00
HIPC	69,000,000.00	-	-	69,000,000.00
TOTAL	-	-	-	233,811,799.00

6.0 ACTUAL RELEASES AND EXPENDITURE AS AT 30th SEPTEMBER, 2010

The breakdown of the actual expenditure for the Sector Ministry for the 2010 Financial Year is indicated in Table B below :-

Table B

ITEM	Approved amount GH¢	Releases GH¢	Expenditure GH¢
P.E(GoG)	72,748,751.00	65,754,169.70	65,754,169.70
Admin(GoG)	660,918.00	781,825.69	429,644.87
Service(GoG)	561,309.00	283,683.68	231,606.60
Investment (GoG)	2,389,040.00	789,991.56	512,797.96
HIPC	69,000,000.00	62,713,523.07	62,296,591.51
TOTAL	233,811,799.00	130,323,193.79	129,163,538.76

7.0 ACHIEVEMENTS IN 2010

A critical look at Table B indicated that in total the Ministry of Local Government and Rural Development expended just about Fifty-Five Percent (55.24 %) of the amount which was approved for the Ministry for the year 2010. Notwithstanding this shortfall in funding and its attendant problems associated with it, the Ministry of Local Government and Rural Development reported that it had been able to chalk some successes in the year under review. Some of the reported successes are as follows:

1. The approval by Cabinet and subsequent launch of the Comprehensive Decentralization Policy and Action Plan.
2. The inauguration of an Inter-Ministerial Coordinating Committee on Decentralization with H.E. the Vice President as Chairman.
3. The drafting and subsequent passage of L.I. 1967 by Parliament. L.I 1967 will reduce over 16,000 Unit Committees to a manageable size of about 5,000 making Unit Areas coterminous with electoral boundaries.
4. The consolidation of the 2008 FOAT Assessment Results and the review and approval of the District Development Fund (DDF) Allocation Formula.
5. A total amount of GH¢83,464,247.63 was disbursed to the 170 Metropolitan, Municipal and District Assemblies (MMDAs) as a result of the review of the disbursement formula.
6. With the passage of Local Government (Departments of District Assemblies) (Commencement) Instrument 2009 L.I 1961 by Parliament, the Local Government Service has been established and has 44 functional District Works Departments in 5 Regions as part of the integration of decentralized departments as Departments of the MMDAs.

7. The printing and distribution of simplified versions of an Operational Manual to clarify roles, responsibilities, relationships among stakeholders and general guidelines for the Ghana School Feeding Programme operations to provide a quick reference/ source book to key actors or players in the smooth implementation of the Programme.
8. The introduction of a Social Accountability Project to ensure quarterly monitoring of the Ghana School feeding programme.
9. The launch of a compact on Sanitation and Water for All (SWA) led to the revision and launch of a new Environmental Sanitation Policy.
10. The development and outdoor of a National Environmental Sanitation Strategy and Action Plan (NESSAP).
11. The collaboration by the Department of Parks and Gardens with the Botanic Department of the University of Ghana and other stakeholders to establish a Biodiversity Information Facility (Ghana B.I.F). Plant species captured now stands at 620 out of the 1742 targeted plants.
12. Under the Second Urban Environmental Sanitation Project (UESP II) Storm drainage works in Accra and Sekondi-Takoradi have been completed while the Kumasi drainage works are 80% complete.

8.0 THE 2011 DRAFT ANNUAL BUDGET ESTIMATES

For the year 2011, it is the intention of the Ministry of Local Government and Rural Development to undertake a number of projects and programmes with its budgetary allocation. Included in the plans and activities for 2011 year are:

1. The implementation of the Comprehensive Decentralization Action Plan

2. The establishment of a Secretariat to support the activities of the Inter-Ministerial Coordinating Council. The Council would facilitate cross-sectoral implementation of the decentralization policy.
3. The facilitation of the allocation and disbursement of funds relating to the 2009 FOAT performance assessment to the MMDAs.
4. The facilitation of the annual assessment processes by carrying out the 2010 performance assessment.
5. The establishment of Human Resource Units of MMDAs to ensure the management of over 33,000 personnel to be transferred from the Civil Service to the Local Government Service.
6. The re-targeting of beneficiary pupils by the Ghana School Feeding Programme using the selection criteria.
7. The evaluation of the end of the existing phase of the Ghana School Feeding Programme and the beginning of the redesigning of next phase.
8. Implement the Sanitation and Water For All (SWA) Compact Document.
9. The validation of final draft document of the National Urban Policy with selected stakeholders and subsequent submission to Cabinet for approval.
10. The construction of Sewerage Treatment Plant at Legon which will continue with the provision of pumping stations at PRESEC, IPS and Legon.

To carry out its activities in the year 2011 the Ministry has been allocated an amount of **Two Hundred and Twenty-Six Million Two Hundred and Thirty-Seven Nine Hundred and Seven Ghana Cedis (GH¢226,237,907.00)**.

Of this amount, an amount of **Seventy-Seven Million, One Hundred and Sixty-Eight Thousand, One hundred and Fifty-Six Ghana Cedis (GH¢77,168,156.00)** is from Government of Ghana sources while **Seventy-five Million, Seven Hundred and Thirty-Eight Thousand and Four Hundred and Ten Ghana Cedis (GH¢ 75,738,410.00)** is from HIPC source for Social Intervention Programmes.

The donor component of this budget is **Seventy-Three Million Three Hundred and Thirty-One Thousand Three Hundred and Forty-One Ghana Cedis (GH¢73,331,341.00)**.

BREAKDOWN OF 2011 ALLOCATIONS

The breakdown of the Budgetary Allocation for the Sector Ministry for the 2011 Financial Year is presented in the Table C as follows :-

Table C: 2011 Proposed Expenditure Allocation by Cost Centre

NO	ITEM	ALLOCATION GH¢	% OF TOTAL ALLOCATION
1	PE (GoG)	74,931,202.00	33.12
2	ADMINISTRATION (GoG)	660,918.00	0.29
3	SERVICE		
	a. (GoG)	381,516.00	
	b. Donor	17,545,229.00	
	Total:	17,926,745.00	7.92
4	INVESTMENT		
	a. GoG	1,194,520.00	
	b. Donor	55,786,112.00	
	Total:	56,980,632.00	25.19
5.	SIP (HIPC)	75,738,410.00	33.48
	TOTAL	226,237,907.00	100

9.0 OUTLOOK FOR 2011

9.1 Local Government Service

The Local Government Service was created to secure effective decentralization of professionals from the Civil Service to the Metropolitan, Municipal and District Assemblies (MMDAs).

For 2011 the Service will among others commence the establishment of Human Resource Units in all MMDAs. This will ensure that over 33,000 personnel to be transferred from the Civil Service to the Local Government Service are well managed. The Local Government Service will also vigorously pursue the integration of all the decentralized departments as departments of the District Assemblies.

9.3 Births and Deaths Registry

The Births and Deaths Registry is mandated to register and certify all births and deaths occurrences in Ghana. This ensures that accurate and reliable information on all births and deaths in Ghana are provided.

Included in the 2011 plans of the Registry is the plan to expand the computerization of the registration process with the installation of computers, scanners and data capture software in two regional offices in the Upper East and Upper West Regions. The Registry will also seek to refurbish its Statistics Unit in the Head Office.

9.4 Ghana School Feeding Programme

The Ghana School Feeding Programme began in 2005 as an initiative to among others reduce hunger and malnutrition in pupils attending public schools and improve enrolments and retention levels in these schools. The programme has over the years been jointly funded by the government and DANIDA.

In 2011, the programme will commence the evaluation of the project and begin processes for the redesigning of the next phase. The Ghana School Feeding Programme will also undertake a re-targeting exercise of beneficiary pupils using the selection criteria.

9.5 Department of Community Development

The Department of Community Development was established to improve living standards among rural dwellers and vulnerable communities in urban centers. It offers Vocational, Technical and Entrepreneurial skills training in its Institutions nationwide.

The Development will in 2011 increase the number of beneficiary persons to 6000 youth in its 24 Institutions. It will also commence a sandwich employable skills training programme for 1000 women.

The Department will also introduce formal apprenticeship/tracer programmes in Technical and Vocational Institutions.

9.6 Department of Parks and Gardens

The Department of Parks and Gardens is the main statutory body mandated to conserve research and train in horticulture. It also provides extension services on horticultural issues.

In 2011 the Department will collaborate with MMDAs to develop programmes for floral beautification of Cities and Towns and acquire lands to establish Public Parks and promote ecotourism to generate revenue for Assemblies and jobs for the youth.

The Department will also pursue actions to combat the effects of global warming by promoting a National Tree Planting campaign.

9.7 Community Based Rural Development Project (CBRDP)

The Community Based Rural Development Project began in 2004 and is expected to be completed by the end of 2011. The project is aimed at reducing poverty and enhancing quality of life of beneficiary rural communities in all MMDAs.

Since the project would end in 2011, the whole of 2011 will be dedicated to completing its on-going projects nationwide including 158

Boreholes, 370 Basic School facilities and 171 health related infrastructure.

9.8 Urban Environment Sanitation Project (UESP II)

The Second Urban Environment Sanitation Project is aimed at improving urban living conditions with regard to environmental health sanitation, drainage and solid waste management in a sustainable fashion. The project began in 2004 and covers the five cities of Accra, Tema, Sekondi-Takoradi, Kumasi and Tamale.

In 2011, the project will see to the completion of its entire ongoing construction works including the construction of storm drains in Tema and Kumasi. The construction of the Tema and Sekondi Sanitary landfills will be completed.

9.9 Urban Poverty Reduction Project (UPRP)

The Urban Poverty Reduction Project has the objective of contributing to the achievement of the nation's Millennium Development Goal of reducing poverty by 50% and giving help to persons who live on less than One dollar a day. The project began in September 2006 and is expected to end in December 2011.

For 2011, the project will embark on a strategy to develop and complete at least 60 Community Business and Development Plans. The project will also roll out the full implementation of its Social Inclusion Transfer Scheme.

9.10 Northern Region Poverty Reduction Programme (NORPREP)

The Northern Region Poverty Reduction Programme is targeted at building capacity of District Assemblies in the Northern Region. It began in 2004 and will be ending by March 2012.

The project will provide the 20 Educational facilities, 6 Health facilities and improve 4 feeder roads in the project area. It will also continue with its capacity building programmes.

9.11 Accra Sewerage Improvement Project (ASIP)

This project aims at putting in place a sustainable sewerage system in the Accra Metropolis.

In 2011 the Project will continue the construction of a Sewerage Treatment Plant in Legon and the provision of pumping stations.

10.0 OBSERVATIONS

During the consideration of the Estimates of the Ministry of Local Government and Rural Development, the Committee made some observations and would like to bring some of these observations to the attention of the House.

1. The Committee observed generally that the Ministry did not have at its disposal the amount of money that was approved by the House for its operations in 2010. In total, only about 56% of the approved budgetary figure was released to the Ministry.
2. Related to that, the Committee observed a disparity between the amount of money released for the operations of the Ministry and the Expenditure. The Committee was informed that this was due to inability of the Bank of Ghana to credit the accounts of the Ministry even after release letters had been issued by the Ministry of Finance and Economic Planning.
3. The Committee also noted that although the Ministry and its Departments had been informed to budget for its utility bills for the year 2011, the actual Service allocation given to the Ministry would not make it possible for it to pay its utility bills. This will then greatly affect the work of the Ministry and its Agencies.
4. It was also observed that due to the change in policy regarding the payment of utility bills, some Departments

and Agencies are not enjoying electricity supply due to the unavailability of funds to pay for Electricity Consumption.

5. The Committee further noted that although the Community Based Rural Development Project will end by December 2011, a new project will take over from the existing one called the Ghana Social Opportunity Project. This project will be used to rationalize all government social intervention strategies.
6. The Committee also observed that Ghana had signed unto the Sanitation and Water for All Compact which has been duly launched in Ghana.
7. The Committee noted that the project to construct a Landfill site for the disposal of waste in Accra has suffered a setback because of the fact that the Accra Metropolitan Assembly has discontinued its landfill project in Kwabenya.
8. The Committee also observed that although the Local Government Service has planned to commence the transfer of about 33,000 Civil Servants to the Local Government Service, the amount allocated to the Service would not be adequate to make this transfer successful.
9. The Committee noted that the Ghana School Feeding Programme is planning a re-targeting process to ensure that the programme achieves its intended targets.
10. The Committee further observed that the Ghana School Feeding Programme was coming to an end in 2010 and the Dutch government had indicated its unwillingness to continue supporting the programme.
11. It was revealed that the major challenge facing the District Development Fund (DDF) was its inability to collate returns due to the late or failure to submit returns at the Districts and Regional levels.

12. It was also observed that though Environmental Sanitation is a very important sector yet not much is being done to improve upon sanitation. Metropolitan, Municipal and District Assemblies who are supposed to do the implementation lack the capacity to do the work. It was also noted that most MMDAs do not consider environmental sanitation as a priority.
13. It came to light that the Second Urban Environmental Sanitation project will need extra funds to construct a digester to burn gas and carbon credits and treat liquid waste that is septic and faecal sludge.
14. The Committee observed that the Department of Parks and Gardens was highly constrained financially. Even though the department generated funds, it is not allowed to retain any portion of the revenue accrued. Due to lack of funds, the Aburi Guest House is unable to compete with private Hotels.
15. It was also revealed that the Department of Parks and Gardens had a lot of logistical constraints. The regional offices do not have vehicles; the only water tanker at the Department's disposal has broken down making it difficult for the Department to service State House, Pèduasè Lodge, Résidencès of former Presidents and the sitting President, among others.
16. It was revealed that the Urban Poverty Reduction Project was saddled with the delays in the processing of documents.

11.0 RECOMMENDATIONS

Based on the observations made during the consideration of the Estimates the Committee would wish to make the following recommendations for the consideration of the House.

It is the hope of the Committee that these recommendations when adopted would go a long way to help the Ministry, its Departments and Agencies to achieve set goals and targets.

1. To ensure that releases from the Ministry of Finance and Economic Planning are credited to the account of the Ministry, the Committee recommends that a system is put in place by the Ministry of Finance to ensure that when releases are issued there are funds to cover the releases.
2. While lauding the initiative by government to ensure that all MDAs are responsible for their utility payments, the Committee recommends that adequate funds should be allocated to the Ministry to ensure that its activities do not grind to a halt due to non-payment of utility bills.
3. It is recommended to the Ministry of Finance and Economic Planning as a matter of urgency makes provisions for realistic Utility payments by the Ministry, its Departments and Agencies.
4. Considering the cross-cutting nature of environmental and sanitation issues, the Committee recommends that the Ministry should show greater commitment to the Sanitation and Water for all Compact that it has signed. The existing Action Plan for the implementation of the revised Environment and Sanitation Policy should also be vigorously pursued.
5. The Committee is concerned about the problems besetting the acquisition of a landfill site for the Accra Metropolis and recommends to the Ministry to seek Private

Partnership in this regard to avert a national crisis in waste disposal.

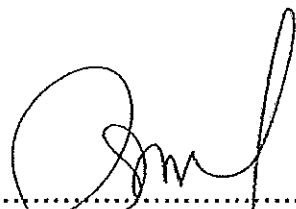
6. To show the nations commitment to the decentralization process, the Committee recommends to the Ministry to reconsider some re-alignment of its allocation so that the plans by the Local Government Service to transfer some 33,000 Civil Servants to the MMDAs are actualized.
7. On the Ghana School Feeding Programme, the Committee recommends to government to take steps to ensure that when the existing phase of the programme ends, adequate funds are sourced to see to the continuation of the programme.
8. On the Second Urban Environmental Sanitation Project, the Committee recommends to the Ministry to consider sourcing private sector partnership to assist in the construction of a waste digester.
9. The Committee recommends a review of the Accra Sanitation Improvement Project so that extra funds can be acquired to complete its projects including projects in Burma Camp and Dansoman.
10. The Committee recommends to the Ministry to initiate steps which will ensure that the Department of Parks and Gardens is permitted to retain at least 50% of its internally generated funds. The Ministry should also encourage private partnership and participation in the running of the Aburi Guest House.

12.0 CONCLUSION

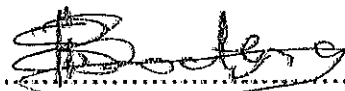
Rt. Hon. Speaker, the Committee on Local Government and Rural Development has duly considered the Annual Estimates of the Ministry of Local Government and Rural Development and has noted that the Ministry, its Departments and Agencies have in place plans and activities which will ensure the execution of its mandate.

In accordance with Orders 140 (4) and 181 of the Standing Orders of the Parliament of Ghana, the Committee recommends to the House for approval the sum of **Two Hundred and Twenty-Six Million Two Hundred and Thirty Seven Thousand Nine Hundred and Seven Ghana Cedis (GH¢226,237,907.00)** from a combination of GoG, Donor and HIPC sources for operations of the Ministry of Local Government and Rural Development for the financial year 2011.

Respectfully submitted.



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HON. DOMINIC AZIMBE AZUMAH
(COMMITTEE CHAIRMAN)



.....
Ms. EVELYN BREFO-BOATENG
(CLERK TO THE COMMITTEE)

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8th DECEMBER, 2010