

**IN THE FIRST MEETING OF THE SECOND SESSION  
OF THE THIRD PARLIAMENT**

**OF**

**THE FOURTH REPUBLIC OF GHANA**

**REPORT**

**OF**

**THE COMMITTEE ON MINES & ENERGY ON  
THE 2002 ANNUAL ESTIMATES OF  
THE MINISTRY OF ENERGY**

**12<sup>TH</sup> MARCH 2002**

## 1.0 INTRODUCTION

The draft Annual Estimates of the Ministry of Energy was referred to the Committee on Mines and Energy for consideration and report, in accordance with Article 103 (2) of the 1992 Constitution and Standing Orders no. 188 of the House, following the presentation of the Budget Statement and Economic Policy of the Government of Ghana by the Hon. Minister for Finance on Thursday 21<sup>st</sup> February 2001.

## 2.0 ACKNOWLEDGEMENT

The Committee wishes to acknowledge the invaluable contribution of the Deputy Minister for Energy, Hon. K. T. Hammond, the Chief Director and officials of the Ministry of Energy, the Chief Executive and officials of Energy Commission and the Director and officials of Energy Foundation.

## 3.0 REFERENCE DOCUMENTS

In the course of its deliberations, the Committee referred to the following documents:

- i. The 1992 Constitution of the Republic of Ghana
- ii. The Standing Orders of the House
- iii. The Budget Statement and Economic policy of the Government of Ghana
- iv. The Draft Estimates of the Ministry of Energy.

#### 4.0 MISSION STATEMENT

The Mission of the Ministry of Energy is to extend adequate Energy sources to Rural Communities to stimulate employment generation in an environmentally friendly atmosphere to facilitate productivity and reduce poverty.

#### 5.0 OBJECTIVES

The Ministry of Energy in order to achieve the above Mission has set up for itself the following Nine (9) objectives in the medium term under review:

- i. To consolidate and improve existing energy supply systems
- ii. To strengthen the Institutional and human resource capacity in Energy infrastructural Development
- iii. To encourage Private Sector participation in Energy infrastructure development

- iv. To secure future Energy Supplies and hydrocarbon deposit
- v. To increase access of modern energy services to the poor
- vi. To minimize environmental impact of energy supplies and consumption
- vii. To stimulate economic development and ensure productive use of energy particularly in rural communities
- viii. To promote renewable energy efficiency technologies
- ix. To ensure regular replacement of absolute systems and equipment with the state of the art technology to improve service delivery, efficiency and environmentally friendly operations.

#### 5.1 PERFORMANCE OF 2001 ESTIMATES

Mr. Speaker, this august House approved a total sum of Twenty-two Billion, Four hundred and five Million four hundred and twenty-six thousand, Nine hundred and twenty-five cedis (¢22,405,426,925.00) to the Ministry and its agencies to provide our country with an efficient and

effective energy supplies for the year 2001. The break down are as follows:

M D A	P E.E	ADMINISTRATIO N EXPENSES	SERVICES	INVESTMENT
Ministry of Energy, HQ.	¢121,036,219	¢953,664,934	¢206,300,000	¢463,000,000
Ministry of Energy Project	¢522,508,436	¢1,852,917,916	¢3,556,850,000	¢12,673,3000,000
Energy Commission	574,580,000	¢578,039,430	¢303,000,000	¢300,280,000
TOTAL	¢1,218,124,655	¢3,384,612,170	¢4,366,100,000	¢13,436,580,000

Table 2

### ACTUAL PERFORMANCE OF 2001

The actual performance of 2001 is attached as appendix "A"

### 6.0 2002 ESTIMATES

For the year 2002 the Ministry of Energy has been allocated with the total sum of **Six Hundred and Fifty-One Billion, Nine Hundred and Forty-Eight Million, Seven Hundred and Twenty Two Thousand, Seven Hundred and Fifty cedis (¢651,948,722,750.00).**

The breakdown of the figure is as follows:

<b>M D A</b>	<b>PROVISION</b>
Ministry of Energy (Headquarters)	¢2,278,842,002
Ministry of Energy Projects	¢643,424,959,592
Energy Commission	¢6,244,921,954
<b>TOTAL</b>	<b>¢651,948,723,547</b>

## **7.0 OBSERVATION AND RECOMMENDATIONS**

The Committee observed that the headquarters of the Ministry of Energy was allocated Two hundred and six Million cedis (¢206 Million) and Four Hundred and Sixty-three Million cedis (¢463 Million) for Services and Investments respectively but nothing was released by the Ministry of Finance to enable the Ministry of Energy to render service to the good people of Ghana. This also implies that the Ministry could not embark on its investment activities.

Similarly, Ministry of Energy Projects suffered the same fate as only about Twenty-eight Million cedis (¢28 Million) was released for services out of about Three Billion cedis (¢3 billion). Investment also got Five Billion cedis (¢5

**Billion) out of Twelve Billion cedis (¢12 Billion) approved for the Ministry of Energy Project.**

The Committee strongly believes that the Services rendered by the Ministry of Energy and its agencies are vital to the survival and sustenance of our economy. The economy of our nation cannot survive without efficient and effective energy supplies. If we are to achieve the economic growth we have set for ourselves, then the Ministry of Finance should give the fullest financial support to the Ministry of Energy.

The Committee is however, happy to inform the House that the Ministry of Finance has this year increased its allocation to the energy sector by **Six Hundred and fifty-one Billion cedis (¢651 Billion)** as compare to the **Twenty-Two Billion cedis (¢22 Billion)** allocated to the Sector last year.

The Committee wishes to commend the Minister of Finance for this increase and, also, urges him to ensure timely release of these funds to the Ministry of Energy.

## 7.1 ELECTRIFICATION PROJECTS

Mr. Speaker, the Committee was informed by the Deputy Minister of Energy that the last phase (phase 3) of the SHEP 3 Project, which seeks to supply electricity to about 650 communities selected from all the 10 Regions of the Country will be completed this year.

Again, SHEP 4, which will benefit about 2000 communities throughout the country, would commence during the course of the year.

Similarly, the Ministry indicated that funding is being sourced from the Chinese Government to ensure the continuation of the Volta Lake Resettlement Townships Electrification project, which is to be completed by 2003. It is expected to benefit 155 communities. We urge the Ministry to expedite work on that.

Additionally, the Nyinahin area electrification project to be funded by Japanese Government would be commenced in October 2002.



Mr. Speaker, the Committee was informed that the Government would embark upon Regional street lights project to increase security and safety. The project, we are told would be implemented over a period of 3 years.

The Committee therefore, wishes to commend the Ministry for continuing with good projects started by the previous government and its own new initiative to improve upon the lighting system in our Country. We therefore, urge the Minister for Finance to timely release money to the Ministry of Energy to enable them render these essential services.

## 7.2 PETROLEUM

Mr. Speaker, the Committee observed that a sum of **One Hundred and Seventy-eight Billion, Twenty-five Million cedis (¢178.25 Billion)** has been allocated to the Ministry to secure future supplies of petroleum products to Rural areas and for strategic storage purposes. To realize these objectives, plans are underway to complete the fabrication

of 600 Kerosene surface tanks for distribution to rural areas by September 2002.

The entire project aims at supplying each district with 20 surface Tanks. The distribution of kerosene to the rural areas is to be done through the existing oil-marketing companies, especially indigenous ones.

The Committee wishes to commend the Minister for this initiative and to urge the Minister for Finance to make this dream a living reality by releasing the much needed funds for the project on time.

### 7.3 ENERGY FOUNDATION

Mr. Speaker, the Energy Foundation, under the auspices of the Ministry of Energy, has embarked on energy efficiency programme in order to reduce waste in our energy consumption.

During the year 2002, the Energy Foundation seeks to use various strategies namely, public education, policy advocacy, industrial cogeneration and fuel substitution as well as

renewable energy development to reduce consumption by 30 percent. The 30% that would have been wasted would be converted into energy reserves, thus cutting cost of production and creating more energy through efficiency.

The Committee therefore, wishes to commend the Minister for embarking on this alternative energy production. The creation of more energy through efficiency programme has proved to be successful in advance countries such as the United States of America. The Minister of Finance should support this initiative by making money available for the project.


## 8.0 CONCLUSION

Mr. Speaker, considering the laudable electrification projects coupled with the rural Kerosene supply as well as the energy efficiency programmes lined up by the Ministry of Energy, the Committee wishes to recommend to this House to approve the total amount of **Six Hundred and fifty-one Billion, Nine Hundred and forty-eight Million, Seven Hundred and Twenty-two Thousand, Seven**

Hundred and fifty cedis (¢651,948,722,750.00) for the  
Ministry of Energy.

Respectfully submitted.

  
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A.B. BOADI-MENSAH  
CHAIRMAN

  
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INUSAH MOHAMMED  
CLERK

(A)

SUMMARY - MINISTRY OF ENERGY  
GOG - EXPENDITURE RETRUNS FOR THE PERIOD JANUARY TO DECEMBER 2001

	Ministry of Energy	TOTAL APPROVED ESTIMATES (A)	ACTUAL EXPENDITURE INCURRED (B)	BALANCES (C)
^050	HEAD QUARTERS			
	P.E	121,036,219.00	194,565,539.00	73,529,320.00
	Admin Expenses	953,664,934.00	331,598,588.00	622,066,346.00
	Service	206,300,000.00	-	206,300,000.00
	Investment	463,000,000.00	-	463,000,000.00
	<b>SUB-TOTAL</b>	<b>1,744,001,153.00</b>	<b>526,164,127.00</b>	<b>1,217,837,026.00</b>
^051	MME PROJECTS			
	P.E	522,508,436.00	477,508,202.84	45,000,233.16
	Admin Expenses	1,852,917,916.00	902,030,043.83	950,887,872.17
	Service	3,856,800,000.00	28,806,793.00	3,827,993,207.00
	Investment	12,673,300,000.00	5,006,387,062.00	7,666,912,938.00
	<b>SUB-TOTAL</b>	<b>18,905,526,352.00</b>	<b>6,414,732,101.67</b>	<b>12,490,794,250.33</b>
^055	ENERGY COMMISSION			
	P.E	574,580,000.00	569,787,004.44	4,792,995.56
	Admin Expenses	578,039,420.00	572,095,118.25	5,944,301.75
	Service	303,000,000.00	-	303,000,000.00
	Investment	300,280,000.00	-	300,280,000.00
	<b>SUB-TOTAL</b>	<b>1,755,899,420.00</b>	<b>1,141,882,122.69</b>	<b>614,017,297.31</b>
	<b>GRAND TOTAL</b>	<b>22,405,426,925.00</b>	<b>8,082,778,351.36</b>	<b>14,322,648,573.64</b>