



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

REPORT OF THE COMMITTEE ON WORKS
AND HOUSING

ON

THE 2005 ANNUAL BUDGET ESTIMATES OF
THE MINISTRY OF WORKS AND HOUSING

8TH MARCH, 2005

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1.0 INTRODUCTION

Following the motion by the Hon. Minister for Finance & Economic Planning on Thursday, 24th February, 2005 urging the House to approve the Budget Statement and Economic Policy of the Government for the 2005 Financial year, the Draft Annual Estimates of the Ministry of Works and Housing was referred to the Committee in accordance with Article 179 of the 1992 Constitution and Orders 140 (4) and 179 of the Standing Orders of the House for consideration and report.

1.1 Acknowledgement

The Committee in deliberating on the Estimates met with the Hon. Minister for Works and Housing, the Heads of the various Departments and Agencies of the Ministry and officials from the Ministry of Finance. The Committee wishes to express its gratitude to them for their invaluable contributions.

2.0 REFERENCES

In discussing the estimates, the following served as reference materials for the Committee:

- a. The 1992 Constitution of the Republic of Ghana
- b. The Standing Orders of the House
- c. The State of the Nation Address of HE The President

- d. The Budget Statement and Economic Policy of the Government of Ghana for the 2005 financial year.
- e. Report of the Committee on the 2004 Annual Estimates of the Ministry of Works and Housing.
- f. The 2005 Draft Annual Budget Estimates of the Ministry of Works and Housing.

3.0 **MISSION STATEMENT OF THE MINISTRY**

The Mission of the Ministry of Works and Housing is to formulate and implement policies and programmes for the provision of adequate housing, potable water, other landed properties and development of infrastructure facilities in the areas of water and flood control systems, drainage and coastal protection works and operational hydrology for the benefit and improvement of the welfare of all people living in Ghana.

The Ministry fulfils this mission by:

- Ensuring efficient management of all water resources and increasing accessibility to potable water, adequate flood control systems and drainage as well as decent shelter.
- Formulating, implementing, monitoring and evaluating policies that enhance the provision of infrastructure facilities and services.
- Promoting and facilitating private sector participation in housing delivery and potable water supply, flood control system and coastal protection works.

- Providing, maintaining and protecting public property and infrastructure and ensuring protection for communities and infrastructure facilities.
- Establishing an effective database for efficient planning and service delivery.
- Improving Human Resources Development and Building Institutional Management capacity.
- Improving collaboration and co-ordination with local Sub-Regional and International Agencies in the provision of water and shelter.

4.0 REVIEW OF 2004 BUDGETARY ALLOCATION

The Ministry in the 2004 fiscal year was given a budgetary allocation of **Four Hundred and Twenty-eight Billion, One Hundred and Ninety-nine Million cedis (¢428,199,000,000.00)**.

5.0 THE 2005 DRAFT ANNUAL BUDGET ESTIMATES

The 2005 budget has been designed to fit the socio-economic development plan of the Government. The underlying principle and focus are on poverty reduction, particularly in the housing and water sub-sectors.

In Order to meet the above-mentioned objectives, the Ministry was allocated a total amount of **Nine Hundred and Sixty-four Billion, Seven Hundred and Five Million cedis (¢964,705,000,000.00)** to meet its total expenditure for the 2005 fiscal year.

Out of the amount of **Nine Hundred and Sixty-four Billion, Seven Hundred and Five Million cedis (¢964,705,000,000.00)** the Government

of Ghana is funding a total component of **Ninety-nine Billion, Seven Hundred Million cedis (¢99,700,000,000.00)** and Donor component amounting to **Eight Hundred and Sixty-five Billion, and Five Million, cedis (¢865,005,000,000.00)**.

5.1 **Government of Ghana**

		¢
i	Personnel Emoluments	- 80,434,000,000.00
ii	Administration	- 12,840,000,000.00
iii	Service	- 4,142,000,000.00
iv	Investments	- 31,243,500,000.00
v	Investments matching funds	- 13,540,500,000.00
vi	Internally Generated Funds	- 7,500,000,000.00
TOTAL		- 99,700,000,000.00

Donor Component

		¢
i	Service	- 78,153,660,308.00
ii	Investment	- 786,851,339,692.00
TOTAL		- 865,005,000,000.00

5.2 **Personnel Emoluments**

An amount of **Thirty Billion, Four Hundred and Thirty-Four Million cedis (¢30,434,000,000.00)** has been provided as personnel emoluments for the staff of the Ministry of Works and Housing, its Departments and Agencies. This amount will cater for Salaries, Contract Appointments, Daily rated expenses and Social Security Contributions.

5.3 Administration

For its administration expenses the Ministry was allocated an amount of **Twelve Billion, Eight Hundred and Forty Million cedis (¢12,840,000,000.)**. The said sum of money is to be utilized for the core business of the Ministry and institutions under its jurisdiction.

5.4 Service Activities

The Ministry was allocated an amount of **Four Billion, One Hundred and Forty-Two Million cedis (¢4,142,000,000)** as Government of Ghana component and a Donor Component of **Seventy-eight Billion One Hundred Fifty-Three Million, Six Hundred and Sixty Thousand, Three Hundred and Eight Cedis (¢78,153,660,308)** for its service activities. This is meant for the purchase of materials and consumables, training, stationery, printing, publications, travel and transport.

5.5 Investment

The Ministry is being allocated an amount of **Ninety Nine Billion, and Seven Hundred Million, Cedis (¢99,700,000,000)** from the Government of Ghana funds and a Donor component of **Seven Hundred and Eighty-Six Billion, Eight Hundred and Fifty-One Million, Three Hundred and Thirty-Nine Thousand, Six Hundred and Ninety-Two Cedis (¢786,851,339,692.00)**. These would cater for vehicles, construction, drainage and hydrological works, equipment, logistics, provision of potable water and facilitation of housing projects.

6.0 **OBSERVATIONS**

In the course of its deliberations the Committee observed the following:
The Committee gives its commendation to the Ministry, its Agencies and Departments for putting in much effort to achieve a lot for the nation in spite of numerous budgetary constraints.

61. **The Main Ministry**

The Committee observed that the ministry's investment allocation has been greatly increased leading to all the Departments and Agencies having their allocations being increased accordingly.

The Committee was also informed that the Ministry will complete the Korle Lagon Ecological Restoration Programme this year to boost tourism.

It was noted that, the Tamale Storm Water Drainage Programme will be continued.

It was revealed that the Ministry intends to pay part of the outstanding debts on behalf of its Departments and Agencies this year. The outstanding debts to Messrs Construction Pioneers, and payment of compensation to Landowners at Weija, Owabi and Barekese lands acquired for the Ghana Water Company Limited (GWCL) water works as well as retirement benefits to retired staff of State Housing Company Ltd. This will be sustained in succeeding years.

It came to light that the main Ministry will have to replace a Driver and an Executive Officer who went on retirement last year.

The Committee is not happy that the Ministry, its Departments and Agencies had their budget allocations reduced by 25% last year in spite of Parliamentary approval.

It was noted that the Ministry intends to revamp its library to serve as a reference point for Staff and Stakeholders.

It was also realised that the Ministry has an outstanding bill for utilities. This is because, the payment of utility bills has been centralised and are

paid for by the Ministry of Finance and Economic Planning (MOFEP), even though receipts were forwarded to MOFEP for the release of funds.

Even though some funds were released for the payment of salary increases in the course of the year 2004, some staff being paid by A.E.S.L could not be reimbursed. As such the Ministry will have to make provisions for them this year.

The Committee learnt that in its effort to eradicate the Guinea Worm disease, the Ministry provided more bore-holes and in collaboration with the Ministry of Health also gave out filters to communities to filter their water. The Committee is happy that due to these measures put in place, last year Guinea Worm cases dropped drastically.

6.2 Department of Rural Housing

It came to light that, the Department's office structures were in a very deplorable state and needed to be given immediate attention.

The Committee lauds the Department's strategy to render quality service to its targeted communities by giving them training in construction skills, project activities, housing societies and management of construction viabilities.

The Department was commended for its initiative to enter into partnership with the District Assemblies in order to have enterprising packages and establishing local habitat for humanity to enable the rural folks build houses at their own pace.

The Committee also appreciates the fact that the Department intends to have a network system whereby local building materials will be provided at affordable prices.

A point worthy of note is that the Department is designing model village schemes for the rural dwellers.

6.3 Hydrological Services Department

The Committee observed that the Hydrological Services Department has been allocated adequate funds to complete its new office block under construction and also to rehabilitate some of its regional offices buildings.

6.4 Technical Service Centre

The Committee was informed that the centre needs to improve its capacity to manage consultants and professionals working with the Unit.

6.5 Public Works Department

An observation made is that the Department could not do most of its activities under Administration, Services and Investments due to the non-release of funds for intended projects last year.

It was noted that the Department's regional office premises which is not being used could be converted into a car park to generate funds.

Ministry of Finance should give approval to enable P.W.D. have the capacity to maintain Government property on regular basis to reduce cost in rehabilitation.

6.6 Rent Control

The office was able to renovate its office buildings in Accra, Agona Swedru and Asamankese last year.

It was realised that the rent control office has offices in all the ten (10) regions and only in nineteen (19) districts.

Another revelation was that the district offices lacked office equipments, furniture and accommodation.

The Committee was also informed that, the Koforidua office was half completed.

There is the urgent need for the office to replace five (5) staff whose positions have become vacant.

6.7 Community Water and Sanitation Agency

The Committee observed that the Agency overspent in Administration, Service and Investment allocations for the year 2004.

It was revealed that the amount of money that the Agency spent on its Administrative expenses last year was more than this year's allocation of ₵5,661,784,471. This implies that officers will not be able to embark on field trips to supervise and inspect projects this year.

The Committee acknowledges the Agency's initiative to eradicate the Guinea Worm disease.

6.8 Public Servants Housing Loans Scheme Board

It was realised that the Board's Funds for Administration, Service and Investment expenses were not released last year in spite of Parliamentary approval.

It came to light that the Board's service allocation has been drastically reduced from ₵47,144,619 in 2004 to ₵17,264,837 for the 2005 fiscal year. This will make it very difficult for them to train their human resource base.

It was also noted that, the Board had two (2) old vehicles at their disposal. There is therefore the need to purchase at least a new vehicle.

The Committee commends the Board for purchasing six (6) SSNIT Flats for Public Servants last year.

6.9 Architects Registration Council

It came to light that in the year 2004, nothing was released to the Council in respect of its investment expenses as such its office building project came to a stand still.

Another revelation was that the Council has been in dire need of official vehicles for the past four (4) years. Staff had to travel in their own private cars for trips outside Accra especially with regards to the training institutions and the Polytechnics.

The Committee observed that the Council will have to open four (4) zonal offices so as to extend its services to the entire country.

6.10 Water Resources Commission

The Committee was informed that the Commission opened new offices in Koforidua and Bolgatanga last year.

It was realised that the Commission did not receive any allocations for its investment activities last year. In spite of the fact that it is a young Commission, its performance, as a revenue generation outfit is

commendable. Every effort should be made to build its capacity to explore untapped areas for revenue generation.

The Committee lauds the Commission's initiative on public awareness programme in the districts to educate people on the need to conserve water bodies and to use water judiciously. It has already covered districts in the Ashanti and Western regions and is in the process of covering the districts in Central and Eastern regions.

6.11 Ghana Water Company Limited (GWCL)

It was noted that GWCL did not receive any funds for the last quarter of 2004 in respect of its service and investment activities.

It was revealed that, the Kpong Water Works needs major expansion. An expansion of the Water Works will help solve the water crisis in Accra and its environs.

The Company's allocation of ₵94,269,559 in respect of its investment activities for the 2005 fiscal year is woefully inadequate.

7.0 RECOMMENDATIONS

Having regard to the above observations, the following are being recommended by the Committee to enable the Ministry achieve its goals:

- (i) That the Ministry of Finance puts in the appropriate measures that would expedite action on the release of commencement certificate on projects of the Ministry, its Departments and Agencies. This will enable them access funds allocated for their projects.
- (ii) That the Ministry of Finance gives approval to the Ministry and Rent Control Office to fill all staff vacancies.

- (iii) That the Ministry of Finance gives the Public Works Department the rent deductions on government bungalows and flats to enable the Department to properly maintain the bungalows and flats.
- (iv) That the Community Water and Sanitation Agency intensifies its public education on the eradication of guinea worm.
- (v) That the Ministry of Works and Housing and the Ministry of Finance put in the necessary steps to pay part of the debt owed to Messrs Construction Pioneers, and compensation to Landowners at Weija, Owabi and Barekese lands acquired for GWCL as well as retirement benefits to retired Staff of State Housing Corporation.
- (vi) That the Ministry of Works and Housing concludes evaluation of all Government Low Cost Houses throughout the country and commence selling them to raise seed money for the construction of similar social houses. Government should re-look at this policy and consider the option of redeveloping such prime areas into more modern block of flats that would generate much higher levels of revenue by way of rent.
- (vii) That the Public Works Department commences its rehabilitation programme of dilapidated Government Bungalows.
- (viii) That the Public works Department is given approval to use its Regional Office premises in Accra as a car park to generate funds.
- (ix) That the Hydrological Services Department and the Architects Registration Council are given adequate funds to complete their office buildings which are still under construction.

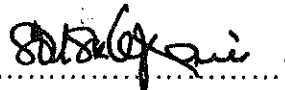
- (x) That the Ghana Water Company Limited creates a hotline to deal with public complaints.
- (xi) That the Ministry of Works and Housing, its Departments and Agencies follow the laid down procedure for the release of funds for their projects instead of waiting till the eleventh hour before putting in their request for the release of funds since this delays the process.
- (xii) That the Architects Registration Council teams up with the District Assemblies to look at the issue of Building Inspectors and to make use of professional bodies for them to work efficiently and effectively.
- (xiii) That the Ministry of Works and Housing ensures that institutions such as the Architects Registration Council and the Civil Servants Housing Loan Scheme Board purchase vehicles for the smooth running of these Agencies.

8.0 **CONCLUSION**

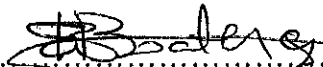
Mr. Speaker, the provision of water, hydrological facilities and housing constitute basic infrastructure for socio-economic development and form part of the priority areas of the government as stated by His Excellency the President in his State of the Nation Address to this august House. To achieve this objective, it is essential that the Ministry of Works and Housing acquire adequate resources to carry out its duties and responsibilities.

In view of the above, the Committee recommends to this august House to approve the sum of **Nine Hundred and Sixty-Four Billion, Seven Hundred and Five Million Cedis** (**¢964,705,000,000**) for the Ministry of Works and Housing to operate in the 2005 fiscal year.

Respectfully submitted.



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HON. MAGNUS OPARE-ASAMOAH
(COMMITTEE CHAIRMAN)



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EVELYN BREFO-BOATENG
(CLERK TO THE COMMITTEE)

Summary by GoC - Donor, Year 2005

07 Ministry of Works and Housing	Total Estimates	GoC: Personnel		GoC: Administration Expenses		GoC: Service Expenses		GoC: Investment Expenses	
		Enrollment	Item 2-4	Donor	Donor	Donor	Donor	Donor	Donor
100 Ministry of Works & Housing Headquarters	957,205,000,000	30,434,000,000	926,771,000,000	12,840,000,000	0	4,142,000,000	78,151,660,308	44,784,000,000	786,851,338,692
010 General Administration	932,795,267,016	15,044,691,472	917,750,575,544	10,575,945,374	0	4,107,770,809	78,151,660,308	38,051,359,562	786,851,338,692
020 Rent Control	21,007,111,112	988,759,117	209,017,351,996	1,357,804,074	0	3,267,206,956	0	9,599,999,996	194,192,340,970
030 Hydrological Services Department	1,720,957,927	631,505,832	1,089,452,095	405,187,349	0	6,405,379	0	677,859,387	0
040 Ghana Water Company Limited	5,904,394,559	1,576,758,183	4,327,636,376	850,481,321	0	477,155,055	0	3,000,000,000	0
050 Department of Rural Housing	323,007,344,951	0	323,007,344,951	0	0	94,269,559	0	15,300,000,000	307,613,075,392
065 Public Servants Housing Loans Scheme Board	4,207,310,590	1,426,427,120	2,780,883,469	746,750,798	0	34,132,671	0	2,000,000,000	0
075 Technical Services Centre	4,456,532,999	214,147,019	4,242,385,980	225,120,743	0	17,284,837	0	4,000,000,000	0
085 Water Resources Commission	503,778,911	165,721,868	338,057,043	134,557,043	0	0	0	203,500,000	0
095 Community Water & Sanitation Agency	1,849,670,423	626,460,524	1,223,209,899	350,555,323	0	12,954,576	0	840,000,000	0
105 Architects Registration Council	379,679,995,675	9,277,827,566	370,401,868,109	5,661,784,471	0	0	78,151,660,308	1,540,500,000	285,045,923,330
102 Public Works Department	1,458,470,270	156,084,244	1,322,386,028	344,004,251	0	178,381,775	0	800,000,000	0
010 General Administration	24,409,732,984	15,389,308,528	9,020,424,456	2,264,654,627	0	34,229,191	0	6,722,140,638	0
020 Estates Management	22,997,051,736	15,589,308,528	7,607,743,208	851,373,379	0	34,229,191	0	6,722,140,638	0
030 Stores	1,299,071,166	0	1,299,071,166	1,299,071,166	0	0	0	0	0
	113,610,082	0	113,610,082	113,610,082	0	0	0	0	0