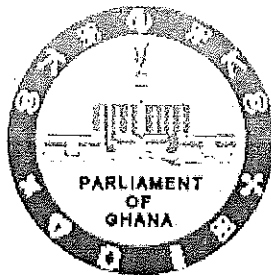


IN THE FOURTH SESSION OF THE SEVENTH PARLIAMENT OF THE
FOURTH REPUBLIC OF GHANA

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

ON THE

**2019 BUDGET IMPLEMENTATION/PERFORMANCE
REPORT IN RESPECT OF THE MINISTRY OF WORKS
AND HOUSING**

ACC No : 3436
Class No : CR / BIP / MWH / 20

JULY, 2020

**REPORT OF THE COMMITTEE ON WORKS AND HOUSING ON THE 2019
BUDGET IMPLEMENTATION/PERFORMANCE REPORT IN RESPECT OF THE
MINISTRY OF WORKS AND HOUSING**

1.0 INTRODUCTION

The 2019 Budget Implementation/Performance Report in respect of the Ministry of Works and Housing was presented to the House in accordance with Article 103 (3) of the Constitution of the Republic of Ghana, 1992, and Clause 27 (1) of the Public Financial Management Act, 2016, (Act 921). By Order 180 of the Standing Orders of Parliament, the Report was subsequently referred to the Committee on Works and Housing for consideration and report.

2.0 DELIBERATIONS

Discussions of the report concentrated on the 2019 Policy Objectives of the Ministry, planned programmes and activities, and their targets as well as budgetary allocations and releases for the period under review. The Committee was assisted in its deliberation by the Hon. Minister for Works and Housing Mr. Samuel Atta-Akyea, the Hon. Deputy Minister, Mr. Eugene Boakye Antwi, the Chief Director, Mr. Solomon Asolla, and other technical teams from the Ministry.

The Committee is grateful to the Hon. Minister, Deputy Minister, Chief Director, and the technical team for their cooperation and assistance.

3.0 REFERENCE

The Committee was guided by the following 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 2019 Financial Year;
- d) The 2019 Annual Estimates of the Ministry of Works and Housing;
- e) Oral and written submissions by the Minister and his technical team; and
- f) The Public Financial Management Act, 2016 (Act 921)

4.0 HIGHLIGHTS OF THE REPORT

The Report was grouped into seven (7) parts (A-G). Executive Summary is covered in Part A while Part B indicates the Strategic Overview (Vision, Mission, Goal, functions, and policy Objectives), of the Ministry.

The 2019 budget performance, both financial and non-financial, are provided for in Part C.

Staff strength, consisting of both established and non-established posts, was indicated in Part D.

Part E gives an account of actions taken by the Ministry to implement the recommendations of Parliament on the most recent report of the Auditor-General while details on government on-going projects are provided for in Part F.

Part G offers a conclusion to the report.

5.0 POLICY OBJECTIVES

In line with the Sector Medium Term Development Plan, the Ministry strives to achieve the under-listed broad policy objectives:

- 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; and
- Address recurrent, devastating floods and promote proper maintenance culture to protect life, property, and the environment.

6.0 **PROJECTIONS FOR 2019**

The Ministry, under the 2019 Budget programmed to implement several policies, plans and programmes geared towards achieving the vision of the Ministry. Below is the summary of the projections for the year under review:

Infrastructure Sector Management Programme

The Ministry programmed to commence coastal protection works on Amanful Kumah, Dansoman phase II, Komenda, Anomabo, Cape Coast, Mensah Guinea, Ningo Prampram, New Takoradi phase III (Elmina), Apam, Kokrobite, Bortianor, Blekusu phase II, Aboadze-Shama phase II, Maritime University, Nungua, Takoradi, Anyanui and Essipong.

The Ministry also planned to undertake the construction of various reinforced concrete drains over the medium term in Effiduase Sekyere East District, Okaikoi Central, Adentan, Goaso, Mim, Asutifi, Hwidiem, Ejura, Tepa, Kumasi Tafo, Tamale, Subin, Ofoase-KorKorben, Odorkor, Boanim, Dwinase, Abuakwa South, Asankragua, Nkrankwanta, Adrobaa, Awoshie Amongoase, Santa Maria, New Ningo, Weija, Densu, Nsawam Gyankrom, Berekum, Tano North, Kasoa, Koforidua, Abuakwa, Kanjarga Jinningsa, Bolga Soe, Kumbosco, Yamfo, Bafokrom, Bourkrukruwa, Jaman, Dormaa, Onyasias, Kordjor, Baale, Lafa, Onukpawahe, among others.

The Ministry programmed to collaborate with the Ministry of Fisheries and Aquaculture Development to implement the Elmina Fishing Port rehabilitation and expansion project in two phases.

Human Settlement and Development Programme

The Ministry planned to continue with the programme set for the completion of the remaining 686 affordable housing units at Koforidua, Wa and Tamale. The State-Housing company was to lead government effort in collaborating with the private sector to complete all affordable housing these projects. Government Affordable Housing Project at Asokore- Mampong for 1,030 housing units currently at 80% was also scheduled to be completed. Further, 4,314 units out of the 5,000 Saglemi Housing Units, were to be completed.

Phase III of the Security Agencies Housing Project comprising 320 housing units for the Ghana Police Service which commenced in 2018 was also to be continued in 2019.

7.0 **2019 BUDGET PERFORMANCE**

During the year under review, the Ministry was allocated a revised budget of Two Hundred and Sixty-eight Million, Six Hundred and Two Thousand, Eight Hundred and Ninety-two Ghana Cedis (GhC268,602,892.00) for the implementations of its planned programmes. Out of this, Sixteen Million, One Hundred and Twenty-six Thousand, Seven Hundred and Thirty-three (GHC16,126,733.00) constitutes revised allocation for Compensation of Employees, GHC1,340,912.00 for Goods and Services, GHC171,177,451.00 for Capital Expenditure, GHC111,796.00 for IGF and GHC79,846,000.00 constitutes Development Partners Funding.

However, as of 31st December 2019, the actual payment stood at GHC193,375,853.00. This represents a performance of 72%. Below is a summary of expenditure by economic classification:

	GH¢
Employee Compensation	14,522,954.00
Goods and Services (GoG & IGF)	1,432,610.00
Capital Expenditure (GoG & DP)	<u>177,420,288.00</u>
Total	<u>193,379,853.00</u>

8.0 **OBSERVATIONS AND RECOMMENDATIONS**

8.1 ***ACHIEVEMENTS***

For the year 2019, the Ministry undertook several activities in terms of the formulation of policies and ensuring that appropriate administrative support services to the Ministry. Key among the achievements during the period under review include the following:

8.1.1 ***Administration and Management***

The Committee noted in the report that in an attempt to strengthen its public sector management and oversight responsibility, the Ministry trained sixty-three (63) staff, aided the promotion of twenty-two (22) staff and also facilitated the participation and completion of twenty-four (24) staff in Scheme of Service training and career development programmes.

Similarly, performance and monitoring reports were prepared and submitted to the Ministry of Finance, Controller and Accountant General Department, and the National Development Planning Commission. The Ministry also facilitated the review of its Service Charter and prepared its 2018 statistical report.

The Committee further noted that to provide an independent, objective assurance guided by a philosophy of value addition for improved operations, the Internal Audit and Finance Units facilitated the audits of cash and Internally Generated Funds audits of the Ministry for 2019.

8.1.2 *Human Settlement and Development*

The Committee noted that provision of accommodation for the security services remained high on the agenda of the government and for the period under review and as such the phase III of the Security Services Housing Programme, which comprises 320 housing Units for the Ghana Police Service, commenced and at 17% completion stage.

It was also reported that the construction of Government Affordable Housing Project at Asokore-Mampong, Kumasi for 1,030 housing units is progressing steadily and currently at 91% completion stage. Also, a total of 43 units townhouses and 24 units of flats at Roman Ridge for public and civil servants under the Redevelopment Programme were completed.

In addition, the Ministry acting through its Department and Agencies embarked on some sensitisation and training programmes to increase awareness and improve the capacity of built environment practitioners for human settlement development.

8.1.3 *Infrastructure Development*

The Committee noted that to protect lives, livelihood, and properties of vulnerable communities from tidal wave erosion, the Ministry continued with the implementation of a number of coastal protection and drainage works during the year under review. Among the achievements are the construction of Adjoa, Blekusu, New Takoradi Phase II (Elmina), Dansoman Dixcove, Amanful Kumah and Axim Sea Defence Projects whose current state of implementation are 100%, 100%, 100%, 85%, 30%, 50 and 55%

respectively. In all, a total of 14 kilometres of the country's coastline were protected from tidal wave erosion. The Ministry also continued drainage improvement works to mitigate the disaster risks associated with flooding in various parts of the country. These projects included Sakaman Lot 1 and Goaso Lots 1 and 2, which are progressing steadily. The drainage works at Ejura Lot 2 and Tepa Lots 1 and 2 are also reported to be 32%, 100%, and 10% complete respectively.

Additionally, preparatory works on the Greater Accra Resilient and Integrated Development (GARID) Project, which seeks to among other things, implement structural and non-structural measures to mitigate flooding in the Odaw basin, were completed. The actual implementation of the project expected to commence this year with funding support from the World Bank.

8.2 **CHALLENGES**

8.2.1 ***Inability to Obtain Guarantees for Affordable Housing***

The Committee was informed that the Ministry, during the year under review, initiated discussions with some 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 the capital of the investors. The Committee also calls on the Ministries of Works and Housing and Finance to expedite action on the laudable intention of creating formal financing alternatives for housing by the establishment of a robust local mortgage banks and housing financing market. In addition to the establishment of the banks, a robust Foreclosure in our mortgage laws should also be looked at to ensure certainty and speedy adjudication of mortgage disputes and conflicts.

8.2.2 ***Delay in the issuance of Commencement Certificate***

The Committee noted that delay in the issuance of commencement certificate by the Ministry of Finance during the year under review negatively affected the Ministry. It was indicated that the first commencement certificate for the year was only received on

4th September, 2019. The Committee was informed that the delay adversely affected the achievement of the planned targets and results for the year 2019.

8.2.3 *Huge Outstanding Commitments and Arrears*

The Committee was informed that due to delay and non-releases of budgetary allocations, delay by the Bank of Ghana in crediting the Ministry's account, and delay in the issuance of commencement certificates for capital expenditure, the Ministry is saddled with huge outstanding commitments. The Committee also learned that some of the service providers triggered court action as a result of delayed payments.

Though the Committee was informed that the Ministry has since received funds from the Ministry of Finance to settle some of the outstanding debts, it believes this could have been avoided if there was a timely release of budgeted funds. The Committee accordingly urges the Ministry of Finance to ensure timely release to forestall the potential risk of Ministry being hauled to the Law Courts for deferred/delayed payments.

8.2.4 *Inadequate Budget Allocation against Planned Programmes*

The Committee notes that the Ministry of Works and Housing is one of the capital intensive Ministries in the infrastructure sectors but over the years, there has not been a proper correlation between the planned programmes of the Ministry and the actual budget allocation and releases from the Ministry of Finance (MoF). Considering the substantial capital requirements of the Ministry's planned programmes and the fact that most of them cover important social infrastructure facilities that are critical for the socio-economic development of the economy, the Ministry would require additional resources outside the annual budgetary allocation to be able to provide these facilities. The Committee was informed that to be able to make a meaningful impact in the area of human settlement and infrastructure developments, the Ministry would require an amount of not less than *Two Hundred Million United States Dollars (US\$200,000,000)*.

The Committee believes that the real estate sector can be a model for economic development and urges both Ministry of Works and Housing and the Ministry of Finance to explore other funding sources to enable MWH effectively and efficiently


carry out its mandate and make a meaningful impact in the economic development of the country.

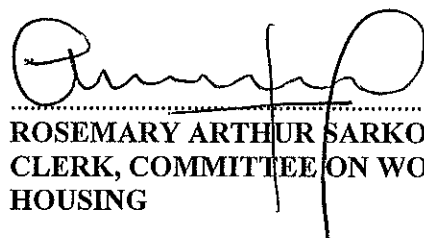
9.0 **CONCLUSION AND RECOMMENDATION**

The Committee after its deliberations of the report recommends to the House to adopt its report and approve the 2019 Budget Implementation/Performance Report in respect of the Ministry of Works and Housing in accordance with Article 103 (3) of the Constitution of the Republic of Ghana, 1992 and Clause 27 (1) of the Public Financial Management Act, 2016, (Act 921).

Respectfully submitted.

Respectfully submitted.


HON. NANA AMOAKOH
CHAIRMAN, COMMITTEE ON
WORKS & HOUSING


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

JULY, 2020