

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

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

ON THE

**2024 ANNUAL BUDGET ESTIMATES OF THE
MINISTRY OF WORKS AND HOUSING**

DECEMBER, 2023

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1.0 Introduction

The Hon Minister responsible for Finance, Mr Ken Ofori-Atta, on Wednesday 15th November 2023, presented the Budget Statement and Economic Policy of the Government for the 2024 financial year to Parliament in accordance with article 179(1) of the 1992 constitution of the Republic of Ghana and Order 140(2) of the Standing Orders of Parliament. The 2024 Annual Budget Estimates of the Ministry of Works and Housing was referred to the Committee on Works and Housing for consideration and report pursuant to Orders 140(4) and 180 of the Standing Orders of Parliament.

The Committee met with the Deputy Minister for Works and Housing, Hon Abdulai Abanga, Officials of the Ministry as well as representatives of the Ministry of Finance on Thursday 14th December 2023 and considered the referral. The Committee is grateful to the Deputy Minister and his team as well as officials of the Ministry of Finance for their cooperation.

1.0 The Programme-Based Budget for 2024 covers the Headquarters and the under listed Agencies of the Ministry of Works and Housing;

1.1 Works Sub-Sector

- i. Public Works Department (PWD)
- ii. Hydrological Services Department (HSD)
- iii. Engineering Council (EC)
- iv. Architectural and Engineering Services Limited (AESL)

1.2 Housing Sub – Sector

- i. Rent Control Department (RCD)
- ii. Department of Rural Housing (DRH)
- iii. Public Servant Housing Loan Scheme Board (PSHLSB)

- iv. Architects Registration Council (ARC)
- v. State Housing Company Limited (SHC)
- vi. Tema Development Company (TDC)

2.0 REFERENCE DOCUMENTS

The Committee made reference to the underlisted documents during its deliberations;

- i. The 1992 Constitution of the Republic of Ghana.
- ii. The Standing Orders of the Parliament of Ghana.
- iii. The 2024 Budget Statement and Economic Policy of the Government of the Republic of Ghana.
- iv. The 2024 Annual Budget Estimates of the Ministry of Works and Housing.

3.0 OBJECTIVES

The Policy Objectives of the Ministry of Works and Housing are as follows.

- Provide adequate, safe, secure, quality, and affordable housing schemes
- Enhance coastal and marine erosion
- Address recurrent devastating floods
- Enhance quality of life in rural areas
- Build a competitive and modern construction industry
- Promote effective maintenance culture
- Improve basic social infrastructure and services, and livelihood conditions of Zongo and Inner-City Communities
- Promote proactive planning and implementation for disaster prevention and mitigation
- Strengthen plan preparation, implementation, and coordination

4.0 GOALS

The Ministry has set the following goals in line with the Sector Medium Term Development Plan:

- 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

5.0 CORE FUNCTIONS

- Initiating, formulating and implementing policies and programmes to enhance service delivery in the area of works and housing
- Undertaking development planning in consultation with the National Development Planning Commission (NDPC)
- Providing, regulating and facilitating access to safe shelter, flood control systems, operational hydrological networks and drainage systems.
- Providing, maintaining and protecting public property and infrastructure.
- Supporting the private sector in the provision of safe shelter.

6.0 FINANCIAL PERFORMANCE FOR 2023

A total amount of **GHC474,272,618.00** was allocated to the Ministry of Works and Housing to execute its planned programmes for the 2023 Fiscal year. As at 31st October, 2023, an amount of GH¢294,499,743.33 had been expended by the Ministry.

The Committee observed that the Ministry was allocated GH34,831,403.00 for CAPEX under GoG source. However, as of October 2023, the amount expended was GH¢104,020,978.04. The Ministry explained that during the

year, the Ministry of Finance moved an amount of GH¢264,080,556.53 from the Ministry's ABFA vote to GoG CAPEX vote.

Table 1 below provides a breakdown of the 2023 expenditure trend of the Ministry.

Table 1 2023 Expenditure Trend as at 31st October, 2023

EXPENDIURE ITEM/FUNDING SOURCES	2023 APPROVED BUDGET	ACTUAL EXPENDITURE AS AT 31ST OCT 2023	VARIANCE (A-B)	PERCENTAGE OF APPROVED(B/A) *100
	A	B	C	D
GOG				
Compensation of employees	23,511,860.00	23,186,453.00	325,407.00	98.62
Goods and Services	1,190,850.00	893,100.00	297,750.00	75.00
CAPEX	34,831,403.00	104,020,978.04	-69,189,575.04	298.64
<i>SUB-TOTAL</i>	59,534,113.00	128,100,531.04	-68,566,418.04	215.17
IGF				
Goods and Services	8,982,330.00	1,920,985.15	7,061,344.85	21.39
<i>SUB-TOTAL</i>	8,982,330.00	1,920,985.15	7,061,344.85	21.39
ABFA				
CAPEX	326,756,174.00	112,535,029.08	214,221,144.92	34.44
<i>SUB-TOTAL</i>	326,756,174.00	112,535,029.08	214,221,144.92	34.44
DONOR				
CAPEX	79,000,000.00	51,943,198.06	27,056,801.94	65.75
<i>SUB-TOTAL</i>	79,000,000.00	51,943,198.06	27,056,801.94	65.75
Grand Total	474,272,618.00	294,499,743.33	179,772,873.67	62.10

7.0 KEY ACHIEVEMENTS FOR 2023

7.1 Policy and Legislative Arrangement

- In 2021, the Ministry established the Ghana Hydrological Authority (GHA) with the primary objective of formulating a comprehensive drainage Master Plan. This strategic initiative aims to alleviate the adverse impact of flooding and safeguard the coastlines. Additionally, the GHA is entrusted with the responsibility of creating a platform to plan, mobilize private sector financing, oversee, monitor, and curb the uncontrolled and improper development of drainage systems throughout the country.
- The Rent Bill, 2023 and the revised Building Regulations were also presented to Parliament for consideration and approval.

7.2 Human Settlement Management Programme

- The Ministry through TDC Development Company Limited (TDCL), facilitated the construction of additional 4 blocks, totaling 96 units of apartments under the Kpone Affordable Housing Programme, which comprises a total of 3,016 housing units. The project was reported to be 64.5% complete.
- The State Housing Company Limited (SHCL) has initiated the District Housing Programme aimed at constructing rental housing units at the District Level, to cater for public servants over the medium term. 16 sites have also been secured across the 16 regions for the pilot phase. Moreover, the project's concept note has received approval, and feasibility studies are ongoing.
- Again, the State Housing Company Limited (SHCL) has initiated several housing projects nationwide to tackle the country's housing deficit. In this regard, the Urban Premier Housing Project Phase II, consisting of 5-unit apartments in Adenta, is currently at its engineering and foundation stage. The Legacy Court Project, involving the construction

of 12 houses, 7 townhomes, and 40 apartments has been successfully completed and commissioned. Furthermore, work on the Koforidua affordable housing project, comprising 342 housing units, is 27% complete.

- Phase III of the Security Services Housing Studies Programme, which includes the Training School and the construction of 320 housing units at the Ghana National Police Training School, Tesano for the Ghana Police Service, was reported to be approximately 95% complete.
- Under the Redevelopment Programme, the Ministry is constructing 121 housing units for public servants. These include 76 two-bedroom apartment units, 33 three-bedroom apartments, and 12 four-bedroom townhouses situated at Ridge, Airport, and Roman Ridge in Accra, respectively. Additionally, 112 housing units, consisting of 48 three-bedroom apartments and 64 two-bedroom apartments, have been developed at Laterbiokoshie in Accra to enhance the availability of decent housing for public and civil servants.
- In line with its commitment to provide affordable housing, the government has initiated the construction of the first 8,000 housing units under the Revised National affordable Housing Programme in Pokuase. A contract has been awarded for site infrastructure and construction is actively underway. Agreements have also been reached with five developers for the construction of these homes.

7.3 Infrastructure Management Programme

- The Infrastructure Management Programme primarily focuses on coastal protection works and drainage management. The impact of climate change, with its associated challenges such as increased coastal flooding, erosion, and unpredictable rainfall patterns, necessitate the development of resilient coastal and drainage infrastructure.

To address these issues, the Ministry is embarking on various coastal protection projects to safeguard the lives, livelihoods and properties of individuals residing along the coastline.

These projects are at various stages of completion: Dansoman 96%, Komenda 99%, Anomabu 78%, Cape Coast 80%, Ningo-Prampram 48%, Aboadze Phase II 63%, Elmina Phase II 92%, and Dixcove 40%.

- The Ministry undertook drainage improvement works to address disaster risks linked to flooding in various regions in the country. Within the framework of the 2018 Programme, all 61 desilting contracts have been completed while 56 out of 93 construction works are 100 percent complete. Similarly, under the 2020 Programme, a total of 301 out of 312 desilting contracts have been completed, while 42 out of 114 construction works are also 100 percent complete.
- The Ministry has completed the construction of 19km drains and also undertaken works including the excavation, rechanneling, and maintenance of over 1,000km of drains nationwide, aimed at curtailing the recurrent negative impact of floods. This has culminated in the reduced incidence of flooding across the project areas.
- Furthermore, the Ministry has engaged consultancy services within the framework of the Greater Accra Resilient and Integrated Development (GARID) Project, sponsored by the World Bank. It is worth mentioning that approval has been obtained for the commencement of performance-based dredging at five unencumbered sites. Additionally, contracts have been signed for drainage construction at Achimota and Nima. However, commencement of construction works is pending the implementation of the Resettlement Action Plan.

- A contract has been signed for community upgrade works in Akweteyman and Alogboshie. The Ministry has received bids for Kaneshie 1&2 GARID project, pending evaluation reports.

8.0 BUDGETARY ALLOCATION FOR YEAR 2024

A total amount of **GHC585,376,600.00** was allocated to the Ministry of Works and Housing to execute its planned programmes for the 2024 Fiscal year. However, the GoG CAPEX component of GHC360,000,000.00 was revised to GHC375,000,000.00 to enable the Ministry carry out renovation works on government residential accommodation. The revised allocation to the Ministry for 2024 therefore amounts to **GHC600,376,600.00**.

Table 2 provides a breakdown of the total budgetary allocation.

Table 2: Breakdown of the Total Budgetary Allocation by Economic Classification

ECONOMIC CLASSIFICATION	GOG GHC	IGF GHC	DONOR PARTNERS GHC	TOTAL GHC
Employee Compensation	25,576,846.00	19,355.00		25,596,201.00
Goods And Services	31,007,102.00	8,773,611.00		39,780,713.00
CAPEX	375,000,000.00	6,355,292.00	153,644,394.00	534,999,686.00
Total	431,583,948.00	15,148,258.00	153,644,394.00	600,376,600.00

9.0 OBSERVATIONS AND RECOMMENDATIONS

9.1 Budgetary Allocation for 2024

The Ministry of Works and Housing has seen an increase in its budgetary allocation from GH¢ 474,272,618.00 in 2023 to GH¢600,376,600.00 in 2024, representing an increase of 26.6%. The total budgetary allocation comprises GH¢25,596,201.00 for Employee Compensation, GH¢39,780,713.00 for Goods and Services and GH¢534,999,686.00 for Capital Expenditure.

9.2 Protection of Ghana's Coastline

The Committee took cognisance of the impact of climate change on the nation's coastline, particularly the gradual erosion and subsequent destruction of communities.

Emphasizing the urgency of addressing these challenges, the Committee recommended that the Ministry of Finance prioritise budget allocation and ensure timely release of funds. This support is crucial for the Ministry to successfully complete coastal protection projects to safeguard Ghana's coastline.

9.3 Appointment of a Chief Executive Officer for Ghana Hydrological Authority

The Committee noted with concern that the Ghana Hydrological Authority currently does not have a Chief Executive officer. The Committee calls on government to appoint a Chief Executive officer as a matter of urgency in view of the important role the Authority plays.

9.4 Improvement in Housing Deficit

The Committee noted that there has been an improvement in the Housing deficit in the country. The Housing deficit estimated to be 2.8million units in

2010 has reduced to 1.8 million units. The Ministry, in addition to efforts being made to reduce the housing deficit, rolled out the National Rent Assistance Scheme in February, 2023 which has so far benefitted over 1,000 Ghanaians.

The Committee recommends that Government increases the Ministry's budget to enable them expand the scheme for the benefit of more Ghanaians.

9.5 Blekusu Sea Defence Project

The Committee was informed that feasibility studies for the Blekusu Sea defence project has been completed and submitted to the Ministry of Finance, pending approval for commencement of construction.

The Committee urges the Ministry of Finance to expedite approval on the project.

9.6 Revision of 2023 Capital Expenditure (CAPEX)

The Committee observed that the Ministry saw a significant revision of its Capex in the 2023 financial year from GH¢34,831,403.00 to GH¢104,020,978.04 representing a 298.64% increase. The Committee was informed that the revision was to allow the Ministry settle outstanding debt owed contractors.

The Committee urged the Ministry to endeavour to inform the Committee of budgetary revisions, through the mid-year budget performance workshops.

9.7 Inadequate Funding for Rural Housing Department

The Committee acknowledged that the Department of Rural Housing faces difficulties in performing its functions effectively due to perennial underfunding.

Recognizing the significant role played by rural housing in decongesting major cities and providing housing for public servants, the Committee recommends that the Rural Housing Department be appropriately resourced. This is essential to enable the department initiate comprehensive rural housing plans and shift the focus of affordable housing from urban to the rural areas.

9.8 Saglemi Housing Project

The Committee raised concerns about the continuous stall of work on the Saglemi Housing Project. Considering the Housing deficit which stands at 1.8million units, it was not prudent for the Ministry to abandon work on the project. As a result of the neglect of the project, some of the fixtures and fittings have been stolen causing further deterioration of the project. The neglect of the project, the Committee noted could cause financial loss to the State.

In the view of the Committee, security could be provided in the interim to protect properties at the site.

9.9 Use of Sustainable Building Materials

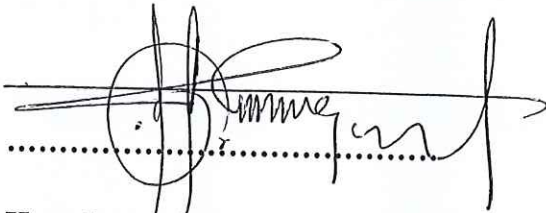
The Committee observed the need to promote eco-friendly initiatives in building houses across the country in order to curtail effects of climate change.


The Committee therefore urges that the Ministry considers using building materials that are sustainable and also promote adherence to international standards towards securing green funding.

10.0 CONCLUSION

The Committee, after carefully considering the 2024 Annual Budget Estimates of the Ministry of Works and Housing, hereby recommends to the House to approve an amount of **Six Hundred Million, Three Hundred and Seventy-Six Thousand, Six Hundred Ghana Cedis (600,376,600.00)** for the programmes and activities of the Ministry of Works and Housing for the financial year ending 31st December 2024.

Respectfully Submitted.



 **Hon Isaac Kwame Asiamah,
Chairman, Committee on Works
and Housing.**



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**Mrs Eunice K. Abeka,
Senior Assistant Clerk,
Committee on Works and
Housing**

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December, 2023