

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

**REPORT OF THE SPECIAL BUDGET COMMITTEE**

**ON**

**THE 2016 BUDGET ESTIMATES OF THE  
MINISTRY OF WATER RESOURCES, WORKS AND  
HOUSING**

**DECEMBER, 2015**



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ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF WATER  
RESOURCES, WORKS AND HOUSING**

**1.0 INTRODUCTION**

- 1.1 The Budget Statement and Economic Policy of the Government for the fiscal year ending 31<sup>st</sup> December 2016 was presented to Parliament by the Hon. Minister for Finance, Mr. Seth Terkper, on Friday, 13<sup>th</sup> November, 2015 in accordance with Article 179 of the 1992 Constitution.

The Right Honourable Speaker referred the Annual Budget Estimates of the Ministry of Water Resources, Works and Housing (MWRWH) to the Committee on Works and Housing for consideration and report in accordance with Order 140(4) of the Standing Orders of Parliament.

- 1.2 The Committee met on Friday, 11<sup>th</sup> December, 2015 and considered the referral. The Hon. Minister for Water Resources, Works and Housing, Dr. Kwaku Agyemang Mensah, his deputy, Mr. Jonny Osei Kofi, officials of the Ministry of Water Resources, Works and Housing and the Ministry of Finance attended the Committee's sitting to provide more elucidation on the Estimates.

The Committee is grateful to the Hon. Minister, his Deputy and officials of the Ministries of Water Resources, Works and Housing and Finance for their assistance during the deliberations.

## **2.0 REFERENCE DOCUMENTS**

The Committee made reference to the following documents during its deliberations:

- 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 for the 2015 Financial Year.
- d. The Budget Statement and Economic Policy of the Government for the 2016 Financial Year.

## **3.0 MISSION STATEMENT OF THE MINISTRY**

The Ministry exists to ensure sustainable management of the nation's water resources; provide safe, adequate and affordable water and water related sanitation; drainage works, coastal protection works and affordable housing.

## **4.0 BROAD SECTORAL POLICY OBJECTIVES**

The main objectives of the Ministry over the medium term are as follows:

- i. To ensure efficient management of water resources
- ii. To accelerate the provision of adequate, safe and affordable water
- iii. To adopt a sector-wide approach to water and environmental sanitation delivery.
- iv. To enhance capacity to mitigate and reduce natural disasters, risks and vulnerability
- v. To increase resilience of coastal settlement and infrastructure
- vi. To increase access to adequate, safe, secure and affordable shelter
- vii. To improve and accelerate housing delivery in the rural areas
- viii. To establish a framework to coordinate human settlements development

- ix. To promote resilient urban infrastructure development, maintenance and management

## **5.0 DEPARTMENTS AND AGENCIES UNDER THE MINISTRY**

The combined efforts of the under listed Departments and Agencies will be utilised to pursue the above objectives of the Ministry. These are:

### **a. Housing**

- i. Rent Control Department.
- ii. Department of Rural Housing.
- iii. Public Servants Housing Loan Scheme Board.
- iv. Architects Registration Council

### **b. Works**

- i. Public Works Department (PWD)
- ii. Hydrological Services Department
- v. Engineers' Council

### **c. Water**

- i. Water Resources Commission
- ii. Community Water and Sanitation Agency
- iii. Ghana Water Company Limited (GWCL)

## **6.0 PERFORMANCE IN YEAR 2015**

### **6.1 Allocation for Year 2015**

The approved budget for the Ministry of Water Resources, Works and Housing for year 2015 was Four Hundred and Sixty Three Million, One Hundred and Three Thousand, Four Hundred and Twenty Cedis (**GH¢463,103,420.00**) for the implementation of its programme and activities. This was however revised to **GH¢329,245,957** after the

Appropriation Act. Out of this sum, the Ministry expended **GH¢331,043,247** from January 2015 to September 2015. The Breakdown is as follows:

**Table I**  
**BUDGET PERFORMANCE OF YEAR 2015**

NO	EXP. ITEM	ALLOCATION GH¢	EXPENDITURE	VARIANCE
			AS AT SEPT GH¢	
1.	EMPLOYEE COMPENSATION (EC)	9,323,942	15,728,894	(6,404,952)
2.	GOODS & SERVICE	1,247,893	1,191,393	56,499
3.	CAPEX (ABFA)	64,184,890	38,153,237	26,031,653.54
	CAPEX (GoG)	750,000	-	750,000
4.	IGF	4,171,784	1,786,203	2,385,581.28
5.	DONOR	249,567,449	274,183,520	(24,616,071)
	<b>TOTAL</b>	<b>329,245,957</b>	<b>331,043,247</b>	<b>(1,797,290)</b>

## 6.2 Employee Compensation Vote

The Ministry was allocated an amount of GH¢ 9,323,942.00 for Expenditure on the Employee Compensation. As at September 2015, expenditure on Vote has exceeded the allocation by over 68%. This according to Officials of the Ministry was mainly due to the capturing of the salaries of decentralized PWD personnel under the accounts of the Ministry of Water Resources, Works and Housing.

## 6.3 Goods and Services Vote

An amount of **GH¢1,247,893** was allocated to the Ministry for Goods and Services. Actual expenditure as at September 2015 stood at **GH¢1,191,393** indicating a positive variance of **GH¢56,499**.

## **7.0 ACHIEVEMENTS OF THE PROGRAMMES OF THE MINISTRY FOR YEAR 2015**

### **7.1 Water Resource Management Programme**

- Acting through the Water Resources Commission (WRC), the Ministry created new buffer zones at Pwalugu, Djentiga 1 and 2, and Yarigungu, and also extended the buffer zones at Mognori and Bazua in the Upper East Region as part of the effort to protect water bodies. A buffer area of about 4.3km out of the targeted 30.7km on both sides of the White Volta River was also created.
- The Ministry developed a Dams Safety Regulations to regulate and coordinate the design, construction, operations, maintenance, and decommissioning of dams. The ultimate goal was to ensure a uniform and adequate level of safety for all dams throughout the country.
- Two documentaries with respect to water resources management on the Pra and Tano River Basins were developed and are being aired on the national television networks and social media. The last batch of 25 police prosecutors in the Volta Region, and 59 media personnel in the Volta and Central regions were trained to assist in enforcing compliance of water use regulations, sensitization and improving on media reportage. To date, 211 police prosecutors and investigators, and 289 media personnel have been trained throughout the country.

### **7.2 Urban Water Management Programme**

- The 40 Million Gallon per Day (MDG) Kpong Water Supply Expansion and rehabilitation works was completed and handed over to GWCL this year and is currently producing 20 (MGD) of water for the Greater Accra

Metropolitan Area (GAMA). In addition, an intake structure, a dedicated powerline, 73km transmission pipelines and booster stations at Dodowa and Boi were completed. Reservoirs at Dodowa, Boi and Madina were also completed.

- The Nsawam Water Supply Expansion Project was completed in September this year and is currently under test run. The water treatment plant will add 1.63MGD of water to the supply system in Nsawam and its environs. The Kumawu and Konongo water supply project is 82 percent complete. Akim Oda and Akwatia water supply project is on-going and is expected to add 6.58MGD of water to the system. The rehabilitation works on the Winneba Water supply system is on-going and currently 39 percent complete.
- The Ministry also continued the construction works on the Wa Water Supply Project and is currently laying the 15km transmission pipeline.
- The Cape Coast Water Supply Project which links the Sekyere Heman Water System and the Brimsu Water Treatment Plant commenced and is currently about 20 percent complete.

### 7.3 Rural Water Management Programme

- Under the Sustainable Rural Water and Sanitation Project, the Community Water and Sanitation Agency (CWSA) continued with the provision of potable water to rural communities and small towns. A total of 1,068 boreholes, out of the target of 1,200, were drilled in Central, Western, Northern, Upper East and Upper West Regions. In addition, drilling of boreholes in the Brong Ahafo Region; construction



of 52 small towns' water systems are at various levels of completion. A total of 385 institutional latrines out of 450 were completed.

- Six (6) projects under the Northern Regional Small Towns Water and Sanitation Project (NORST) were completed and commissioned at Bunkpurugu -1, Karaga – 1, Yendi – 2, Tatale-Sanguli – 1 and Nanumba North (Bincheratanga) – 1. Eight other projects were completed and are ready for commissioning in Nanumba North (Makayili), Nanumba South (Lungni), Gushegu, Saboba, Kpandai – 2 systems, Chereponi and West Mamprusi Districts.

#### 7.4 Infrastructure Sector Management Programme

- The coastal protection works which is aimed at protecting the sea shores, preventing further erosion and protecting life and property are at various stages of completion – Aboadze 70 percent, Sakumono 100 percent, Nkontompo 50 percent.
- The Ministry commenced drainage improvement works to solve the perennial flooding and erosion problem to mitigate the disaster risk associated with flooding in various parts of the country. The projects and their respective levels of completion are as follows: Akora River Drainage Project at Agona Swedru – 40%, construction of reinforced concrete drains at Sakaman (Lot 1), 81%, construction of reinforced concrete drains at Goaso phases I and II of Lots 1, 2 and 3 are 68 and 76 percent respectively. Construction of earth drains at Taifa, (Lots 1 and 2) is 100 percent complete.

## 7.5 Human Settlement and Development Programme

- In March this year, the Ministry launched the National Housing Policy to guide housing development in the country. Work continued on the construction of 368 housing units under the Phase II of the Housing Project for the Ghana Navy under the Security Services Housing Project which is about 40% complete. In addition, the construction of 5,000 Affordable Housing Units at Saglemi-Ningo Prampram is progressing and overall work is 45% complete.
- 4,720 Government affordable housing units in the Greater Accra, Ashanti, Northern, Upper West and Eastern regions are at various stages of completion. Seventy-two (72) units allocated to the State Housing Company Limited (SHCL) at Borteyman were completed.

## 8.0 **OUTLOOK FOR YEAR 2016**

### 8.1 Water Resource Management Programme

- In year 2016, the development and management of buffers along degraded river basins will be intensified. A Legislative Instrument to enforce the implementation of the Buffer Zone Policy will be pursued.
- The Ministry will also continue the implementation of the Rain water Harvesting Strategy and pursue through field demonstration of “no/low regret” investments of water conservation and utilization schemes in the White Volta Basin.

### 8.2 Urban Water Management Programme

- The Essakyir Water Supply Project for the following communities: Gomoa Maim, Ekumfi, Otum, Esuehyia, Akra, Asaafa, Etwaa, Nakwa,

Asokwa, Abeka, Ekumfi Swedru, Essakyir, Ekroful, Otabenadze and Atakwa would commence in year 2016.

- The Government will complete the construction of the water treatment plant at Kumawu and Konongo. It will also complete rehabilitation works on the Kwahu Ridge Water supply system. The project will add 8.47MGD of water to the supply system. The construction of water treatment plant in Akim Oda and Akwatia will continue.
- Government will also complete the construction of water treatment plant and laying of the distribution network which will add 3.3MGD of water to the Upper West water supply system.
- In year 2016, Government will complete the ongoing project to improve the reliability of water supply in the Cape Coast Municipality. The project will also supply water from the Sekyere Heman Water Treatment Plant to the VRA Aboadze Thermal Plant. The Ministry will continue distribution extension works in Accra (Teshie, Nungua, Madina, Ashaley-Botwe, Ashongman, Kwabenya, Bio, Adenta), Kumasi, Cape Coast and some other identified towns. Similarly, minor works to improve water supply to University of Health and Allied Sciences in Ho will commence under this programme.

### 8.3 Infrastructure Sector Management Programme

The construction of reinforced concrete drainage system will be undertaken in Asankragua, Ejura, Tamale, Tepa, Kumawu, Hwidiem, Tafo, Ofoase-Kokoben and Winneba, among others.

#### 8.4 Human Settlement and Development Programme

The Department of Rural Housing plans to commence the construction of 100 housing units for rural and peri-urban households using improved locally manufactured building materials. The use of indigenous building materials will help reduce construction cost by approximately 30 percent.

### 9.0 **OBSERVATIONS AND RECOMMENDATIONS**

The Committee made the following observations and recommendations during its deliberations:

#### 9.1 Budgetary Allocation and Expenditure in Year 2015

The Committee noted that the original allocation of Four Hundred and Sixty Three Million, One Hundred and Three Thousand, Four Hundred and Twenty Cedis (GH¢463,103,420.00) approved by Parliament for the implementation of the programmes of the Ministry of Water Resources, Works and Housing, was revised downward by 29% after the passing of the Appropriation Bill. The Ministry explained that the downward review was due to the fall in the world oil prices which affected the expected revenue into ABFA for disbursement to the MDAs.

#### 9.2 Year 2015 Expenditure on Employee Compensation

The Officials of the Ministry informed the Committee that, the amount of GH¢15,728,894 expended on Compensation in 2015 which resulted in an over expenditure of GH¢6,404,952.13 (as shown in Table 1) was as a result of the 10% salary increment for all MDA's, as well as promotions within the Ministry. In addition, the officials explained that compensation for decentralized staff of PWD in the Regions and Districts, which was budgeted for under the Employee Compensation Vote of the Ministry for

Local Government, Rural Development, was rather charged against the Ministry of Water Resources, Works and Housing's budget. The problem has however been rectified since October 2015.

### 9.3 Goods and Services

The Committee noted that, the Ministry utilized most of its 2015 Goods and Service vote for the hosting of the 2015 Shelter Afrique Conference, which was participated by representatives of over forty countries. The Ministry informed the Committee that Ghana had to step in at the last minute to host the Conference when Gambia, the original host country, could not host it owing to its proximity to the epic center of the Ebola crises in the sub-region. Ghana happens to be the third highest shareholder in Shelter Afrique after Nigeria and Kenya. However, these two countries could not step in to host the Conference due to security challenges in both countries at that time.

The Ministry assured the Committee that, aside the reasons given above, a lot of consideration went into the decision to host the conference, principally, being the benefits Ghana will derive by way of grants and expertise in the construction industry as a result of the hosting. According to the Minister, Ghana has already benefited from a soft loan facility of Forty Million Dollar (US\$ 4, 000,000,000) from Shelter Afrique, for investment into the housing industry. Currently, an additional Forty-Five Million Dollar (US\$ 45, 000,000,000) grant has been awarded to the Country, to be invested as soft loans to actors in the Housing Industry. Out of this amount, US\$10 Million Dollars would be used to fund projects under State Housing Company and the Department of Rural Housing.

#### 9.4 Budgetary Allocation for Year 2016

As indicated in table 2 below, the Ministry has been allocated a total amount of **Three Hundred and Seventy Four Million, Seven Hundred and Eighty One Thousand, Six Hundred and Twelve Ghana Cedis (GH¢374,781,612)** for the implementation of its programme and activities for the 2016 fiscal year.

**Table 2**  
**2016 BUDGET FOR THE MINISTRY OF WATER RESOURCES, WORKS AND HOUSING**

	<b>Compensation</b>	<b>Goods and Services</b>	<b>Capex</b>	<b>Total</b>
<b>GoG</b>	13,512,233	623,946	-	14,136,179
<b>ABFA</b>	-	-	115,186,786	115,186,786
<b>STATUTORY FUND</b>	-	-	-	-
<b>IGF</b>	3,000	2,485,122	1,485,009	3,973,131
<b>DONOR</b>	-	48,297,103	193,188,413	241,485,516
<b>GRAND TOTAL</b>	<b>13,515,233</b> <b>(4%)</b>	<b>51,406,171</b> <b>(14%)</b>	<b>309,860,208</b> <b>(82%)</b>	<b>374,781,612</b>

AS indicated in Table 2, an amount of GH¢13,512,233 has been allocated for Compensation of Employees, while GH¢51,406,171, representing 14% of the total Budget is for Goods and Services. An amount of GH¢309,860,208 has also been allocated for capital expenditure.

The Committee observed that the allocation for Employee Compensation represents 4% of the Ministry's budget. Goods and Services Vote represents 14%, whilst allocation for Capex is 82% of the entire budget for the Ministry.

#### 9.5 Internally Generated Funds (IGF)

The Committee registered its disappointment at the constant reduction in the rent collection from the UNDP flats and Government bungalows, considering the prime location of these properties. Out of projected revenue of **GH¢477,553.56** only **GH¢116,865.04** has been collected as at October 2015. The Committee wondered why private properties in the same locality were making far higher earnings in foreign currencies while the UNDP flats and Government bungalows consistently make losses.

The Committee recommends that the Ministry should take advantage of the prime location of the properties and consider a public-private partnership with reputable investor/s to enable it enhance its IGF.

#### 9.6 Creation of Land Banks

The Committee was informed that the Ministry is in the process of creating land banks in the regional and selected district capitals to undertake its low income affordable housing projects. Currently, the Ministry has sourced and paid for 35,000 acres of land for these projects. The Committee therefore commended the Ministry for this initiative and efforts.

#### 9.7 Annual Budget Funding Amount (ABFA)

Again, the Committee observed that a large percentage of the releases for ABFA was used for expenditure at the Headquarters. Apart from the Hydrological Services Department, no other agency had releases from ABFA. It was explained that the ABFA was paid on quarterly basis and the amount released was used to pay outstanding claims. The Committee was informed that third quarter releases from the Fund has been made but are yet to be lodged in the Ministry's Account at the Bank of Ghana.

## 9.8 Water Distribution Network

The Committee noted that most of the water expansion projects undertaken by GWCL in some urban centers are not yielding the required results because of the absence of distribution pipes to transmit the water into the needed communities. It was observed that the type of loan facilities contracted concentrate more on the water production projects without taking into consideration funds for the distribution aspect of water delivery. As such, the Ministry can boast of increase in water production levels (stock) but this is not backed by any effective distribution to reach the communities where they are most needed.

The Committee noted that, at the moment, there are a number of completed water treatment projects which are wasting away because of non-existence of distribution lines to take the water to the beneficiary communities. The Committee recommends that future water projects should also take into consideration the distribution aspect so that water can be pumped to consumers in the shortest possible time after completion.

## 9.9 Galamsey Activities Destroying Water Quality

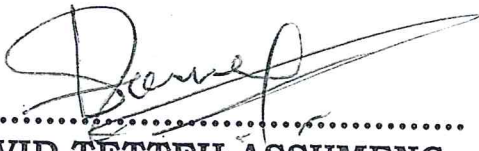
The Committee was informed that the nefarious activities of small scale miners (galamsey operators) are destroying water bodies across the country. It was explained that treatment pumps that are used by GWCL are not designed to handle the amount of sludge generated by the activities of galamsey operations. This result in frequent breakdown of treatment plants. This and the current electricity crises, affects the quality and flow of water to the communities.



## 10.0 CONCLUSION

In light of the above programmes of the Ministry, the Committee recommends to the House to approve the sum of **Three Hundred and Seventy Four Million, Seven Hundred and Eighty One Thousand, Six Hundred and Twelve Cedis (GH¢374,781,612.00)** for the implementation of the 2016 planned programmes and activities of the Ministry of Water Resources, Works and Housing.

Respectfully submitted,



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**HON. DAVID TETTEH ASSUMENG**  
**(CHAIRMAN OF THE COMMITTEE)**



.....  
**AKUA DUROWAA OWUSU AGYEKUM (MRS.)**  
**(CLERK TO THE COMMITTEE)**

15<sup>th</sup> December, 2015

