

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

**REPORT OF THE COMMITTEE ON
ROADS AND TRANSPORT**

ON THE

**ANNUAL BUDGET ESTIMATES OF
THE MINISTRY OF AVIATION FOR
THE 2020 FINANCIAL YEAR**

December, 2019

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ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF AVIATION**

1.0 INTRODUCTION

- 1.1 On Wednesday, 13th November, 2019, Mr Ken Ofori Atta, the Minister of Finance and Economic Planning, in fulfilment of Article 179 of the 1992 Constitution presented to the House the 2020 Budget Statement and Government Economic Policy.
- 1.2 In accordance with Standing Orders 140 (4) and 189 of the House, the 2020 Annual Budget Estimates of the Ministry of Aviation was referred to the Parliamentary Select Committee on Roads and Transport for consideration and report.
- 1.3 The Committee on Monday, 9th December 2019 met the Minister of Aviation, Hon. Joseph Kofi Adda, his Deputy, Hon. Yaw Afful, the Ag. Chief Director, Heads of Agencies of the Sector Ministry and Officers from the Ministry of Finance and Economic Planning.
- 1.4 It should be noted that the programme-based budget for 2020 covers the Ministry of Aviation and the following non-sub-vented Agencies:
- (i) Ghana Civil Aviation Authority (GCAA)
 - (ii) Ghana Airports Company (GACL)

2.0 REFERENCE DOCUMENTS

The Committee made references to the following documents during the consideration of the Estimates:

- i. The 1992 Constitution of the Republic of Ghana.
- ii. The Standing orders of Parliament.
- iii. The Budget Statement and Economic Policy of the Government for the 2020 Financial Year.

- iv. The National Medium-Term Development Framework for 2018-2021.
- v. The Report of the Committee on the 2019 Annual Budget Estimates of the Ministry of Aviation.

3.0 **GOAL OF THE MINISTRY OF AVIATION**

The overriding goal of the Ministry is to develop policy guidance and set out priorities for investment, development and operations that aim at establishing Ghana as an Aviation Hub within the sub-region and position Ghana as the preferred destination of choice for travellers and open up the country for investment, business and tourism

4.0 **POLICY OBJECTIVE**

To make Ghana an Aviation Hub within the West African Sub-Region.

4.0 **FUNCTIONS OF THE MINISTRY AND AGENCIES**

The core functions of the Ministry and its Agencies are:

4.1 **Headquarters (Ministry)**

- Formulating and coordinating aviation policies as well as integration of sector planned strategies with other Sector Ministry.
- Ensure sector performance management, monitoring, evaluating and reporting.
- Promote innovation research and development as well as information management.
- Develop human resource capacity and new technology for the sector.
- Grant approval for licensing of Air Transport operations.
- Negotiate Bilateral Air Service Agreement with handling partners.

4.2 Ghana Civil Aviation Authority (GCAA)

- Regulate Air Safety and security
- Provide Navigation Services
- Regulate Air Transport
- Advice Government on Aviation matters

4.3 Ghana Airports Company Limited (GACL)

- Plan, develop, manage and maintain all public airports and aircrafts in the country.
- Facilitate aircraft, passenger, and cargo movements.
- Provide safety and security for aircraft, passengers and cargo in accordance with the best international practices.

5.0 OVERVIEW OF THE 2019 BUDGET

5.1 During the period of implementing the 2019 Budget, the Ministry of Finance with approval from Parliament revised the Ministry of Aviation's total budget appropriation from an initial amount of GH¢318,144,300.00 to GH¢318,189,974.00 out of which Compensation of Employees increased from GH¢858,522.00 to GH¢1,064,913.00, Goods and Services remained unchanged at GH¢2,377,379.00, Capex (GoG) was reduced from GH¢1,685,699.00 to GH¢1,524,982.00 and Development Partners Funds for the construction of the Kumasi Airport Phase II and Tamale Airport Phase III projects remained at GH¢313,222,700.00.

5.2 As at September 2019, the Ministry's total budget amount released and paid was GH¢190,759,973.00 representing 59.95% of total budget appropriation.

6.0 ACHIEVEMENTS IN THE 2019 FISCAL YEAR

6.1 Management and Administration

- 6.1.1 The Ministry completed negotiations on Shareholders Agreement, Management and Strategic Partnership Contract, Secondment Agreement and Technical Services Contract and subsequently forwarded the above documents to Attorney General's office for review.
- 6.1.2 It also published and subsequently evaluated Expression of Interest (EOI) for review of the existing Aviation Policy and the development of an Aviation Master Plan.
- 6.1.3 Completed the GCAA amended Act, Act 2019 (Act, 985). The Act was passed by Parliament and assented to by H.E the President in March, 2019.
- 6.1.4 An independent Accident Investigation Bureau has been established at the Ministry to be responsible for investigation of aircraft accidents and serious incidents that would occur in Ghana and within the Accra Flight Information Region (FIR).
- 6.1.5 Ghana after undergoing a successful International Civil Aviation Organisation (ICAO) Coordinated Validation Mission (ICVM) Audit has attained Effective Implementation (EI) rate from 56.54% to 89.89%.
- 6.1.6 A sod cutting ceremony was performed for construction to commence on the Tamale Airport Phase II Project.
- 6.1.7 A Parliamentary and Cabinet Approval was received for the Kumasi Airport Phase III Project.
- 6.1.8 The GACL was adjudged the Best Airport in Africa for the 1st Quarter 2019.
- 6.1.9 Performed a sod-cutting ceremony for construction to commence on the Northern Apron and the GCAA Headquarters building at KIA.
- 6.1.10 Negotiated and initialled Bilateral Air Service Agreements with Malta, Namibia and Belgium.
- 6.1.11 Increased domestic airlines operators from two (African World Airlines and Passion Air) to three with the inclusion of UNITY Air.

6.1.12 Developed an Aviation Investment Brochure to serve as a guide for potential investors.

6.1.13 Identified a site at Apowa-Mpohor in the Ahanta West District in the Western Region for the construction of a Civil Airport and a survey was conducted on the suitability of the land.

6.1.14 The Ministry negotiated and initialled Bilateral Air Services Agreements (BASAs) with Malta, Namibia, Belgium, Finland, Saudi Arabia, Colombia, Mozambique and signed BASAs with Benin and Mauritius.

6.2 Aviation Infrastructure Development and Management

6.2.1 Construction of Kumasi Airport Phase II is 42% complete.

6.2.2 KIA Development Phase III Project is 99.5% completed.

6.2.3 Phase II of KIA Terminal 2 Expansion -Relocation of Customs at KIA Terminal 2 Arrivals to Meeters and Greeters is 94.5% completed.

6.2.4 Ducting and Reinstallation of AGL for Code 4F Aerodrome at KIA is 98% complete.

6.2.5 Construction of outer perimeter fence wall at KIA is 60% complete.

6.2.6 Contractor has mobilized to site for the Sunyani Airport Runway extension.

6.3 Aviation Regulation, Certification, Security and Safety Management

6.3.1 Construction of Air Navigation Services (ANS) Center is 57% complete.

6.3.2 A Consumer Protection Directives was developed to harmonize consumer protection environment.

6.3.3 Installation of VHF Equipment and Associated systems at Ho Airport is 85% complete.

6.3.4 Installation of Radar for Kumasi and Tamale Airports is 60% complete.

6.3.5 Installation of 200 VHF radio for Accra (LIREX) is 85% complete.

7.0 FINANCIAL PERFORMANCE OF 2019

7.1 Summary of 2019 Budget: Releases and Expenditure for the Ministry and its agencies.

Table 1: 2019 Approved Budget against Expenditure as at September 2019

ECONOMIC CLASSIFICATION	2019 REVISED APPROPRIATION	RELEASES AS AT SEPT.	ACTUAL PAYMENT AS AT SEPT.	VARIANCE	% PAYMENT
Compensation	1,064,913	828,608.48	828,608.48	236,304.52	77.81%
Goods & Services (GoG)	2,377,379	1,691,654.00	1,581,889.00	795,490.00	66.54%
Capex; ▪ GoG	1,524,982	1,524,982.00	1,524,982.00	0	100%
▪ Donor Partner (Kumasi Airport phase II & Tamale Airport phase II)	313,222,700	186,824,493.62	186,824,493.62	126,398,206.38	59.65%
Grand Total	318,189,974	190,869,738.10	190,759,973.10	127,430,000.90	59.95%

8.0 BUDGETARY ALLOCATION FOR THE MINISTRY OF AVIATION AND ITS AGENCIES FOR 2020

The Ministry of Aviation was allocated a total budgetary sum of GH¢189,028,943.00 for its programmes in the 2020 financial year.

The breakdown of the allocation is shown in table 2;

TABLE 2: 2020 BUDGET ALLOCATION BY PROGRAMMES AND SUB-PROGRAMMES

PROGRAMME	SUB-PROGRAMME	GOG			DP	TOTAL
		Compensation	Goods and Services	Capex	Capex	
Management and Administration	General Finance and Administration	-	2,601,905	1,000,000	-	3,601,905
	Human Resource Management	1,777,788	300,500	-	-	2,078,288
	Policy Planning Budgeting Monitoring & Evaluation	-	350,350	-	-	350,350
Aviation Infrastructure Development and Management					182,998,400	
GRAND TOTAL		1,777,788	3,252,755	1,000,000	182,998,400	189,028,943

9.0 PROGRAMME OUTLOOK FOR 2020

The Ministry of Aviation budgetary allocation would be disbursed on the following projects and programmes:

- 9.1 The Ministry will continue the construction of Tamale Airport Phase II which comprises the construction of a terminal building. It would be 60% complete at the end of 2020.

- 9.2 The construction of Northern Apron at KIA would be 100% completed and operational in 2020.
- 9.3 The Ministry will continue with its engagement and collaboration with other domestic airlines to extend operations to the Ho Airport.
- 9.4 The construction of Kumasi Airport Phase II and III projects would be 80% complete in 2020.
- 9.5 The Ministry will in 2020 continue with its negotiations and sign Bilateral Air Services Agreements (BASAs) with contracting states.
- 9.6 A permanent office would be acquired to accommodate the administrative staff of the Independent Accident Investigation Bureau (AIB) and would also undertake benchmarking exercise in 2020.
- 9.7 The rehabilitation of the Sunyani Airport, would be 100% completed by the end of the first quarter of 2020.
- 9.8 The construction of the Air Navigation Services Centre (ANS) at KIA would be 100% complete and operational.
- 9.9 The installation of communication navigational and surveillance equipment at the various airports would be 100% completed and also operational.

10.0 **OBSERVATIONS AND RECOMMENDATIONS**

10.1 **Need for an Aviation Masterplan**

The Committee took note of the extra budget requirement of GH¢24,750,000 needed by the Ministry to undertake feasibility studies on the under listed projects:

- Takoradi Airport
- Upper East Airport
- Aviation Training Organisation
- Airport City Light Rail

- Ghana Green Airport Project (G-GAP)
- Airport City Car Park
- Development of Airstrips and Helipads at Mole, Yendi, Kete Krachi, Tarkwa, Obuasi, Koforidua, West Central and Kyebi.
- Development of Air Cargo Facility at Tamale Airport.
- Development of Maintenance and Repair Overhaul (MRO) unit and
- Aviation Convention Centre at Dicheonso in Kumasi.

The Committee was informed that most of the above listed projects would be executed through Public Private Partnerships (PPP) or Build Operated and Transfer (BOT) arrangements and needed the approval from the Finance Ministry's approval for take-off of some of the projects above.

The Committee was however of the view that the Ministry should as a matter of urgency have in place an Aviation Master plan which will spell out a comprehensive aviation infrastructure.

10.2 A Project Implementation Unit for the Ministry

The Committee observed a worrying a situation where the sector Ministry could not embark on visits to ongoing projects as planned.

This the Committee was informed was due to the late releases of funds from the Finance Ministry.

The Committee recommends the establishment of a project implementation unit to serve as a technical secretariat to facilitate monitoring, evaluation and quality assurance for projects.

The Committee further recommends that project monitoring funds should be incorporated into the project funds in future, to forestall a situation where projects would not be adequately monitored and evaluated as a result of lack of funds.

10.3 Nuisance Security Checks at the KIA

The Committee complained about the ten (10) different security checks at Terminal 3 of KIA. This trail of checks can make the use of KIA unattractive to passengers if not properly, addressed.

The Committee was informed that a Facilitation Committee has been set up to address this situation using a multi sectorial approach and integration of all the functional areas needed.

The Committee recommends an ideal situation where all the various checks would be done behind the scanners, limiting direct contact with passengers

10.4 Adequate Collaboration between the Ministry and GACL

The Committee observed with concern the lack of collaboration between the Ministry and the Ghana Airport Company Limited.

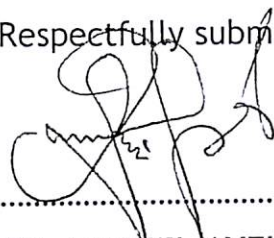
The Committee noted that even though GACL is a limited liability company and therefore independent, it is 100% owned by the Government of Ghana. There is therefore the need for maximum collaboration between the two institutions to safeguard the national interest.

11.0 CONCLUSION

Ghana is about emerging from the processes of a long drawn out search for a strategic partner to establish a home-based carrier. Ethiopia Airlines is one potential strategic partner in the drawn-out venture.

As the country kick-start the drive to make Ghana the Aviation Hub in the sub-region and position itself with the necessary Aviation developmental infrastructure that will enhance our status as the preferred destination of choice for travellers, and also further open up the country for investment and tourism, the Committee unanimously recommend to the House to adopt the report and approve the sum of **One Hundred and Eighty-Nine Million, Twenty-Eight Thousand, Nine Hundred and Forty-Three Ghana Cedis (GH¢189,028,943.00)** for the Ministry of Aviation for the 2020 Financial Year.

Respectfully submitted.



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MR. SAMUEL AYEH-PAYE
CHAIRMAN, COMMITTEE ON
ROADS & TRANSPORT

PARLIAMENT OF GHANA LIBRARY



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MR. ASANTE AMOAKO-ATTA
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