

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



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

ON THE

PARLIAMENT OF GHANA LIBRARY

**2021 ANNUAL BUDGET ESTIMATES
OF THE MINISTRY OF TRANSPORT**

MARCH, 2021

**REPORT OF THE COMMITTEE ON ROADS AND TRANSPORT ON THE 2021
ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF TRANSPORT**

1.0 INTRODUCTION

In accordance with Article 179 of the Constitution and Standing Order 140(4) of the Standing Orders of the House, the 2021 Annual Estimates of the Ministry of Transport were referred to the Committee on Roads and Transport. This followed the presentation of the Budget Statement and Economic Policy of the Government for the Financial Year ending 31st December 2021 by the Leader of Government and Minister of State responsible for Finance, Mr. Osei Kyei-Mensah-Bonsu on Friday, 12th March 2021.

The Hon. Minister for Transport, Mr. Ofori Asiamah, his two Ag. Chief Directors, Mrs. Mabel Sagoe and Mrs. Christina Edmunds and the Technical Team from the Ministry assisted the Committee with its deliberations. Officers from the Ministry of Finance were also at the meetings to provide clarifications and explanations to the issues raised by the Committee.

The Committee is grateful to the Hon. Minister, the Chief Directors, the Technical Team, as well as the officers from the Ministry of Finance for the assistance.

2.0 REFERENCE

In addition to the 2021 Budget Statement and Economic Policy of the Government and the 2021 Annual Estimates of the Ministry of Transport, the Committee also referred to 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 2020 Financial Year;
- d) The 2020 Annual Estimates of the Ministries of Transport and the then Ministry of Aviation; and
- e) A presentation on the 2021 Budget and Annual Estimates by the Minister of Transport

3.0 BACKGROUND INFORMATION

The Ministry of Transport has been realigned with the merger of the then Ministry of Aviation and as such the Ministry is now responsible for maritime, inland water transport, aviation and road transport services. The Ministry is, accordingly, supported by fourteen (14) Agencies that implement government's policies, programmes and projects as set out by the Ministry.

3.1 Vision of the Ministry

The Ministry envisages to create an integrated, modally complementary, cost effective, safe, secure, sustainable and seamless transportation system responsive to the needs of society; supporting growth and poverty reduction and capable of establishing Ghana as a transport hub of West Africa.

In furtherance of the above, the Ministry is committed to maintaining high standard of excellence, transparency, probity, accountability, integrity and competence

3.2 Mission Statement

The Ministry of Transport exists to provide leadership and guidance for the development of the transport sector through effective policy formulation, market regulation, asset management and service delivery.

3.3 Sectorial Policy Objectives

In furtherance to safeguarding the natural environment and ensuring a resilient built environment, the Ministry has programmed to achieve the following six (6) key policy objectives over the medium-term:

- Increase the capacity and efficiency in port operations;
- Enhance the contributions of inland waterways for safe and efficient transportation of goods and people;
- Ensure effective and efficient flow of goods and, services and related information to meet customer requirement;
- Improve efficiency and effectiveness of road transport infrastructure and services;
- Ensure safety and security for all categories of road users; and
- Make Ghana the Aviation Hub for the West African Sub-region.

4.0 SUMMARY OF 2020 PERFORMANCE AND OUTLOOK FOR 2021

4.1 2020 Performance and Outlook for 2021

For the year under review, the Ministry embarked on several programmes and activities. Notable among them are summarised below:

4.1.1 *Maritime Services Programme*

A. *Tema Prot*

- Completion of 3 Berths of the Dedicated Container Terminal (MPS Terminal 3). The remaining berth has progressed ahead of schedule and is expected to be completed in 2021;

B. *Takoradi Port*

- Commencement of works on the development of a Container and a Multi-purpose Terminal by Ibistek Limited, a wholly-owned Ghanaian Company at the Takoradi

Port. The marine and dredging works have been completed and construction of a 600-meter quay wall will be completed in 2021.

- Completion and handing over of the first phase of a Dry Bulk Jetty at the Port. Works on the 2nd Phase which includes works for the superstructure, installation of modern equipment, and construction of access road to the jetty, among others also commenced;
- Development of a new state-of-the-art Liquid Bulk Terminal to support the Oil and Gas Industry

C. Inland port

- Execution of a 30-year Concession Agreement between the Ghana Shippers' Authority and Ashanti Port Services Limited to develop an Integrated Logistics Terminal at Boankra. A Sod-cutting Ceremony was performed for the commencement of works.

D. Fish landing sites

- Commencement of construction works on 11 fish landing sites in Western, Central, Greater Accra, and Volta regions. The Works are expected to be completed in 2021.

4.1.2 Road Transport Management Programme

- Acquisition of 50 and 100 new intercity buses for Metro Mass Transit Limited and the Intercity STC Coaches respectively; Additionally, Parliamentary approval was obtained for mixed credit facilities for the supply of 400 buses to MMTL.
- Operationalization of four (4) Private Vehicle Test Stations by the DVLA;
- Modernization of some DVLA existing offices (Cape Coast, Koforidua, and Takoradi) as well as completion of new offices in Axim, Effiduasi, and Kumawu;
- Preparation of a Draft Legislative Instrument on the National Road Safety Authority Act, 2019 (Act 993). Stakeholder consultation of the Draft LI also commenced. In 2021, the regulations will be laid before Parliament for consideration;

- Development and launching of a comprehensive nationwide road safety campaign dubbed “ARRIVE ALIVE”.

In 2021, the Ministry will:

- commence work towards the implementation of a government-backed, private sector-led lease-to-own financing arrangement that will provide the long-term financing required by commercial vehicle owners and operators to replace aged and non-road-worthy commercial vehicles;
- in the wake of the COVID-19 pandemic, introduce a cashless payment solution for public transport service providers as part of efforts to improve service delivery as well as health and safety protocols;
- under the Public Sector Reforms for Results Project will develop a Transport Sector Database and Documents Management System to improve operational procedures, processes, and the monitoring and evaluation functions of the Transport Sector. This will integrate the various isolated systems in a seamless environment to support government digitization initiatives;
- continue with the feasibility study for the reconstruction of six landing stages along the Volta Lake

4.1.3 *Aviation Development Programme*

- completed a rigorous selection process for the engagement of a Strategic Partner to establish a Home-Based Carrier to provide domestic, regional, and intercontinental services and provide the traveling public with choices. A Memorandum was submitted to Cabinet for approval. It is expected that in 2021 a strategic partner will be selected, and the airline established and operationalized;
- Kotoka International Airport (KIA) was announced as the second-best airport in Africa and received the ACI Airport Health Accreditation certificate;
- Passage of the Aircraft Accident and Incident Investigation and Preventive Bureau Act, 2020, Act (1028);
- Passage of the Air Navigation Services Agency Act to decouple the Air Navigation Services (ANS) from the Regulator;

- Replacement of aging Communication, Navigation and Surveillance (CNS) equipment at the Tamale, Ho, and Kumasi Airports.
- Expansion of both Kumasi and Tamale airports. In 2021, both projects are expected to be completed and opened to the general public. Further expansion works on Kumasi airport (phase III), which involves an expansion of the Terminal building and construction of passenger boarding bridges and other ancillary works will also commence in 2021;
- Construction of the eight parking stands Northern Apron at KIA is on-going and about 29 percent complete. The Apron is expected to be completed and put to full use by end of the year 2021; and
- Rehabilitation works of the Sunyani Airport (Phase I) are progressing steadily and are about 93 percent complete. Work is expected to be completed for the airport to resume operations in 2021.

In 2021, the Ministry will pursue an Aviation Driven Development Agenda (ADDA) through Public-Private Partnership (PPP) to develop the business side of aviation to generate employment and create wealth. This includes:

- Expansion of Airline Business;
- Fixed Based Operator (FBO) Services;
- Development of Maintenance Repair Overhaul (MRO) Facility at Tamale;
- Cargo Terminal Facility at Tamale; and
- Establishment of Aviation Training Organization (ATO)

5.0 SUMMARY OF BUDGET ALLOCATION AND PERFORMANCE IN 2020

For the year under review, the Ministry of Transport was allocated a revised budgetary amount of *Four Hundred and Four Million, Eight Hundred and Nineteen Thousand, Eight Hundred and Ninety-seven Ghana Cedis (GH¢404,819,897.00)*, consisting of GoG, IGF, ABFA, and Development Partners' contributions. The break-down were as follows:

	<i>GH¢</i>
GoG	11,229,264.00
IGF	106,719,398.00

ABFA	12,373,275.00
DP	<u>274,497,600.00</u>
Grand Total	<u>404,819,897.00</u>

Summary allocation by economic classification was also as follows:

	<i>GH¢</i>
Compensation	43,199,920.00
Goods & Services	61,344,407.00
CAPEX	<u>300,275,570.00</u>
Grand Total	<u>404,819,897.00</u>

Summary of expenditure performance as of December 2020 is presented below:

Table 1: summary of Total Expenditure by Economic Classification

No.	Expenditure by Economic Classification	2020 Approved Budget (GH¢)	Amount Expended as at December 2020 (GH¢)	% Expended
1	Compensation	43,199,920.00	39,957,691.66	92.49
2	Goods & Services	61,344,407.00	56,028,211.90	91.33
3	CAPEX	300,275,570.00	283,188,183.97	94.31
4	Total	404,819,897.00	384,174,087.53	93.66

Source: 2021 Budget Statement and MoT 2021 Programmed Based Budget Estimates

With respect to the then Ministry of Aviation, the total approved budget was *One Hundred and Eighty-Nine Million, Twenty-Eight Thousand and Nine Hundred and Forty-three Ghana Cedis (GH¢189,028,943.00)*. Out of this, Consolidated Fund was GH¢6,030,543.00, and Development Partner Funds, GH¢182,998,400.00. However, as at December 2020, a total amount of GH¢186,987,068.60 has been expended by the Ministry and its Agencies.

Summary budget allocation and expenditure is presented in Table 2 below:

Table 2: Summary of 2020 Allocation and Expenditure (MoA)

Classification	2020 Approved Budget (GH¢)	2020 Releases (GH¢)	Actual Payment (GH¢)	Variance	% Variance
GoG					
Compensation	1,777,788	1,575,405.04	1,575,405.04	202,382.96	11.38
Goods & Services	3,252,755	2,114,290.75	2,114,290.75	1,138,464.25	35
Capex	1,000,000	299,372.81	299,372.81	700,627.19	70.06
Sub-total	6,030,534	3,989,068.00	3,989,068.60	2,041,474.40	33.85
DP	182,998,400	182,998,400.00	182,998,400.00	-	-
Grand total	189,028,943	186,987,068.60	186,987,068.60	2,041,874.40	1.08

Source: 2021 Budget Statement and MoT 2021 Programmed Based Budget Estimates

6.0 2021 BUDGET ALLOCATION

For the 2021 fiscal year, the Ministry has been allocated a total amount of *Six Hundred and Fifty-seven Million, Eight Hundred and Thirty-nine Thousand, One Hundred and Ninety-seven Ghana Cedis (GH¢ 657,839,197.00)* to cater for compensation, Goods and Services, and Capital expenditure. Table 3 below presents a summary of the allocation by economic classification.

TABLE 3: Summary of 2021 Budget Allocations

Economic Classification	GoG	IGF	Donor	Total
Compensation	8,911,285	46,846,120.61		55,757,406.00
Goods & Services	10,845,419	112,735,749.21		123,581,168.00
CAPEX	27,350,000	16,418,893.18	434,731,730.00	478,500,623.18
Total	47,106,704	176,000,763.00	434,731,730.00	657,839,197.00

Source: 2021 Budget Statement and MoT 2021 Programmed Based Budget Estimates

This allocation will be expended under the core expenditure items of the Ministry as follows:

PROGRAMME		GH¢
Management and Administration		286,313,652.00
Maritime Services		1,757,500.00
Road Transport Management		
Road Safety Management	29,271,548.16	
Motor Vehicle Technical Training	1,683,682.00	
Licensing and Registration	<u>151,217,621.84</u>	182,172,852.00
Aviation Dev't & Mgt.		<u>187,595,193.00</u>
Grand Total		<u>657,839,197.00</u>

7.0 OBSERVATIONS AND RECOMMENDATIONS

7.1 Maritime Services Programme

7.1.1 *Modernisation of the country's seaports*

The Committee noted that the Ministry continued its programme of modernisation of the country's seaports to position them as the leading container hub within the West African Sub-region. To this end, three berths of the Dedicated Container Terminal (MPS Terminal 3) at the Tema Port were completed and are currently, operational. The Committee learned that the new Terminal has enhanced Ghana's competitiveness in the sub-region and works on the remaining berth is progressing steadily. The Committee urges the Ministry and GPHA to intensify its monitoring of the project to ensure timely completion of the remaining works.

7.1.2 *Reduction in Vessel-turn-around time, and cost of bulk cargo handling*

The Committee further learned that to reduce vessel, turn-around time, and cost of bulk cargo handling at the Takoradi Port, the first phase of a Dry Bulk Jetty at the Port was completed and handed over. Again, a sod-cutting ceremony was also performed to commence work on the second phase. Among others, the 2nd phase includes works for the

superstructure, installation of modern equipment, and construction of access road to the jetty. Since the project ties-in with Government's ultimate agenda to revamp the aluminium industrial clusters, the Committee calls for effective supervision and collaboration among all the stakeholders to ensure early completion of the project.

7.1.3 *Development of an Integrated Logistics Terminal at Boankra*

The Committee noted that as part of measures to develop the long anticipated Integrated Logistics Terminal at Boankra, a 30-year Concession Agreement was executed between the Ghana Shippers' Authority and Ashanti Port Services Limited. Also, a Sod-cutting Ceremony was performed for the commencement of works and it is envisaged that when completed, it would help decongest the Tema Port and facilitate transit trade, especially, to landlocked countries of Burkina Faso, Mali, and Niger.

However, considering the possible increased vehicular traffic and congestion that might result due to the operations of the port, there would be the need to factor in the design of the project, efficient and effective road network to take care of the increased volume of the traffic along that stretch of the Kumasi-Accra road.

The Committee therefore, calls for effective collaboration among the Ministries of Roads and Highways; Transport and Railway Development for the incorporation of an effective and efficient road and rail networks in the Project.

7.1.4 *Construction of Landing sites*

The Committee noted that to ensure safe launching and landing of artisanal fishing and also create and maintain a hygienic environment within the fishing communities, a total of 11 landing sites selected for development are at various stages of completion. The project components include breakwater, ice-making plants, workshops, toilet and sanitation facilities, power sub-stations and supplies, administration blocks, net mending sheds, and daycare centres, among others. The status of completion of the various projects is presented in Table 4 below:

Table 4: Fish Landing Sites –Status

LOCATION	STATUS OF COMPLETION
Axim	59.00%
Dixcove	58.00%
Moree	48.00%
Mumford	46.00%
Winneba	29.00%
Senya Beraku	91.00%
Gomoa FeteH	82.00%
Teshie	72.00%
Keta	6.00%
Jametown	7.18%
Elmina	0.50%

Source: 2021 Budget Statement and Economic Policy of Government

The Committee was assured that, works would continue and possibly be completed in the course of the year. The Committee accordingly urges the Ministry to ensure that the projects are completed on schedule.

7.2 Road Transport Management Programme

7.2.1 *Reimbursing DVLA with the cost of printing Road Worthy Stickers*

The Committee bemoaned the current practice where DVLA is reimbursed only 15% of the printing cost of Road Worthy Stickers while all the revenue generated from the sale of same is lodge in the Road Fund Account. The Committee was informed that the current situation is having adverse financial burden on DVLA. The Committee strongly recommends that an arrangement be put in place where either the Ministry of Finance fund the cost of printing of the Stickers or give back at least 60% of the printing cost of the Stickers to enable DVLA to continue to fund the printing of the Stickers.

7.2.2 *Implementation of a government-backed, private sector-led lease-to-own financing arrangement*

The Committee was informed that Government would commence work towards the implementation of a government-backed, private sector-led lease-to-own financing arrangement that would provide the long-term financing required by commercial vehicle owners and operators. This arrangement, it is believed would also help to replace aged and non-road-worthy commercial vehicles plying on our roads. It was further indicated that the government would provide the initial funding to underwrite financing by private sector leasing companies, including manufacturer-led lease financing to enable commercial vehicle owners and operators to buy made-in Ghana vehicles.

7.2.3 *Nationwide Road Safety Campaign*

The Committee was also informed that the National Road Safety Authority developed a comprehensive nationwide road safety campaign dubbed “ARRIVE ALIVE”. It was added that the campaign which was launched in 2020 is currently being aired on various media outlets. The overall objective of the campaign, it was explained, is to deliver various media programmes, outreach, advocacy, and enforcement activities to influence the required positive change in road-user behaviour and laxity in addressing road safety issues in the country. The Committee hopes that the campaign would be sustained to yield the required outcome.

7.2.4 *Funding NRSA*

The Committee noted that the National Road Safety Authority could not achieve some of its targets relating to road accidents particularly, in the area of number of people killed and injured. The Committee realised that among other factors inadequate funding contributed to the NRSA inability to meet its targets.

The Committee is of the considered view that for NRSA to effectively implement its programmes and sustain road safety campaign, there would be the need to ensure adequate and sustainable funding which the current budgetary allocation cannot ensure. The Committee therefore recommends to Government to consider allocating GH¢ 0.5 on the

price per litre of petrol/diesel under the Energy Sector Levy Act (ESLA) to support the operation.

7.2.5 *Policy Direction on the Use of Tricycles and Motorcycles for Commercial Purposes*

In a response to a question as to the policy direction of government regarding the use of tricycles and motorcycles for commercial purposes, the Hon Minister indicated that the current situation whereby tricycles and motorcycles are being used for commercial purposes is a clear violation of the Road Traffic Regulations, 2012 (L.I. 2180). The Hon Minister emphasised that position of Government is the position of the law, and until the law is amended, use of tricycles and motorcycles for commercial purposes, remains illegal. It was however, added that the Ministry/Government position would be reconsidered when the law enforcement agencies are adequately capacitated to effectively enforce compliance of the Road Traffic Regulations.

7.2.6 *Development of a Transport Sector Database and Documents Management System*

The Committee noted that the Ministry, under the Public Sector Reforms for Results Project has programmed to develop a Transport Sector Database and Documents Management System to improve operational procedures, processes, and the monitoring and evaluation functions of the Transport Sector. It was explained that the project would integrate the various isolated systems in a seamless environment to support government digitization initiatives.

7.2.7 *Revamping the Metro Mass Transit Limited (MMTL)*

The Committee noted that to improve mass transportation and also capacitate the Metro Mass Transit Limited to effectively and efficiently deliver on its mandate, 50 new intercity busses were commissioned and deployed into operations. Additionally, Parliamentary approval was obtained for mixed credit facilities for the supply of 400 buses to MMTL. The Committee believes that these additional buses would enable MMTL to expand its operations to the remotest part of the country and also improve on its service delivery, particularly, the free service to the school children and the elderly.

The Committee's attention was, however, drawn to the fact that the high fuel cost continues to be a strain on the operational cost of the company. The Committee is of the view that to prevent MMTL to shift from its mandate of providing reliable and affordable means of transport for commuters within villages, towns, and cities and also to enable it to sustain its operations, there would be the need for the state to provide fuel subsidies or exempt MMTL from paying taxes on the fuel it purchases for its operation.

7.3 Aviation Development Programme

7.3.1 *Establishment of a Home-based Carrier*

The Committee noted that to support Ghana's Aviation hub concept, the Ministry in 2020, completed a rigorous selection process for the engagement of a Strategic Partner to establish a Home-Based Carrier to provide domestic, regional, and intercontinental services and provide the traveling public with choices. Furthermore, a Memorandum was submitted to Cabinet for approval and it is expected that in the course of 2021 a strategic partner would be selected, and the airline established and operationalised. The Committee welcomed the initiative and urged the Ministry to be diligent in the selection process to ensure that a capable partner is selected for the country to derive the maximum benefit from the partnership.

7.3.2 *Provision of Airports/Aerodromes in regional capitals*

The Committee was informed that as part of the Government Policy to ensure that all regional capitals have at least an aerodrome to improve connectivity and boost tourism, the Ministry would commence feasibility studies for the development of an airport in Cape Coast. It was added that other sites identified for the construction of aerodromes include Apowa-Mpohor, Yendi, Mole, Navrongo, Paga, and Kete Krachi through Public-Private Partnerships (PPP).

In addition, the Ministry would pursue an Aviation Driven Development Agenda (ADDA) through Public-Private Partnership (PPP) to develop the business side of aviation to generate employment and create wealth. The areas to be covered under the ADDA include:

- Expansion of Airline Business;
- Fixed Based Operator (FBO) Services;

- Development of Maintenance Repair Overhaul (MRO) Facility at Tamale;
- Cargo Terminal Facility at Tamale; and
- Establishment of Aviation Training Organization (ATO)

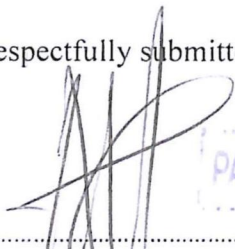
It was further reported that the rehabilitation works of the Sunyani Airport (Phase I) was progressing steadily and about 93 percent complete. The project is expected to be completed for the airport to resume operations in the course of this year.

8.0 CONCLUSION AND RECOMMENDATION

The Committee, after carefully examining the 2021 Annual Estimates of the Ministry and having regard to the strategic role of the Ministry in the development drive of the country, recommends to the House to approve the sum of *Six Hundred and Fifty-seven Million, Eight Hundred and Thirty-nine Thousand, One Hundred and Ninety-seven Ghana Cedis (GH¢ 657,839,197.00)* to enable the Ministry of Transport to implement its programmes and activities for the 2021 Financial Year.


The Committee reiterates its appeal to the Ministry of Finance to either fund the full cost of printing the Road Worthy Stickers or reimburse DVLA with at least 60% of the cost of printing to enable DVLA to continue to fund the printing of the Road Worthy Stickers.

Respectfully submitted.



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HON. KENNEDY NYARKO OSEI
CHAIRMAN, COMMITTEE ON
ROADS & TRANSPORT

PARLIAMENT OF GHANA LIBRARY



.....
ROSEMARY ARTHUR SARKODIE (MRS.)
CLERK, COMMITTEE ON ROADS &
TRANSPORT

March 2021