

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

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

ON THE

**2022 ANNUAL BUDGET ESTIMATES OF
THE MINISTRY OF TRANSPORT**

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REPORT OF THE COMMITTEE ON ROADS AND TRANSPORT ON THE 2022 ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF TRANSPORT

1.0 INTRODUCTION

- 1.1 The Hon. Minister for Finance, Mr. Ken Ofori-Atta, in fulfilment of Article 179 of the 1992 Constitution, presented the Budget Statement and Economic Policy of Government for the 2022 Financial Year to Parliament on Wednesday, 17th November, 2021.
- 1.2 In accordance with Standing Orders 140 (4) and 189 of the House, the Budget Estimates of the Ministry of Transport was referred to the Committee on Roads and Transport for consideration and report.
- 1.3 The Committee on Wednesday, 8th December, 2021 met with the Sector Minister, Hon. Kwaku Ofori Asiamah, the Chief Director and officials of the Ministry of Transport, Heads of Agencies as well as officials of the Ministry of Finance.

The Committee is grateful to the Hon. Minister and the officials for assisting the Committee in its deliberations.

- 1.4 The programme-based budget for 2022 covers the Ministry of Transport Headquarters and the following Agencies:

Maritime and Inland Water Transport

- i. Ghana Ports and Harbours Authority
- ii. Ghana Maritime Authority
- iii. Ghana Shippers Authority
- iv. Regional Maritime University (RMU)
- v. PSC Tema Shipyard
- vi. Volta Lake Transport Company Limited

Road Transport Services

- i. Driver and Vehicle Licensing Authority (DVLA)
- ii. National Road Safety Authority (NRSA)
- iii. Metro Mass Transport Limited (MMT)
- iv. Inter-City STC Coaches Limited
- iv. Government Technical Training Centre (GTTC)

Aviation

- i. Ghana Civil Aviation Authority (GCAA)
- ii. Ghana Airports Company Limited (GACL)
- iii. Aircraft Accident and Incident Investigation and Preventive Bureau

2.0 REFERENCE DOCUMENTS

The Committee referred to the following documents during the consideration of the Estimates:

- a. The 1992 Constitution of the Republic of Ghana;
- b. The Standing Orders of Parliament;
- c. The Budget Statement and Economic Policy of the Government of Ghana for the 2022 Financial Year;
- d. The National Medium-Term Development Framework 2022-2025; and
- e. The Report of the Committee on Roads and Transport on the 2021 Budget Estimates of the Ministry of Transport.

3.0 VISION OF THE MINISTRY OF TRANSPORT

The Vision of the Ministry of Transport is 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 transportation hub of West Africa.

4.0 **MISSION AND POLICY OBJECTIVES**

4.1 **Mission**

The Ministry's Mission is to provide leadership and guidance for the development of the Transport Sector through effective policy formulation, market regulation, asset management and service provision.

4.2 **Policy Objectives**

The Policy Objectives of the Ministry as derived from the Medium-Term Development Framework are as follows:

- (i) Increase capacity and efficiency in port operations;
- (ii) Enhance the contribution of inland waterways for safe and efficient transportation of goods and people;
- (iii) Ensure effective and efficient flow of goods, services and related information to meet customer requirement;
- (iv) Improve efficiency and effectiveness of road transport infrastructure and services; and
- (v) Ensure safety and security for all categories of road users.

5.0 **FINANCIAL PERFORMANCE FOR 2021**

The Ministry of Transport and its Agencies was allocated a total budgetary amount of GH¢657,839,197.00 to undertake its planned programmes and projects for year 2021. As at the end of September 2021, an amount of GH¢362,921,171.17 out of a sum of GH¢387,557,227.07 released had been expended. A Summary of the 2021 Expenditure by economic classification and sources of funding is shown in Table 1.

Table 1

**2021 Approved Budget as Against Disbursement
as at September 2021**

MoT AND ITS AGENCIES FINANCIAL PERFORMANCE				
ITEMS	2021 APPROVED BUDGET (GH¢)	AMOUNT RELEASED AS AT SEPT., 2021	AMOUNT EXPENDED AS AT SEPT. 2021 (GH¢)	PERCENTAGE (%) EXPENDED
<u>GOG</u>	8,911,285.00	6,671,236.50	6,107,424.10	74.86
COMPENSATION OF EMPLOYEES				
GOODS & SERVICES	10,845,419.00	7,348,300.58	1,267,744.68	11.69
CAPEX	27,350,000.00	19,356,000.00		0.00
TOTAL GOG	47,106,704.00	33,375,537.08	7,375,168.78	16.85
<u>IGF</u>	46,846,120.61		32,137,228.86	68.60
COMPENSATION OF EMPLOYEES		-		
GOODS & SERVICES	112,735,749.21	-	80,828,479.66	71.69
CAPEX	16,418,893.18	-	6,831,550.56	41.60
TOTAL IGF	176,000,763.00	-	119,797,259.08	68.06
<u>DONOR</u>				
COMPENSATION	-	-	-	-
GOODS AND SERVICES	-	-	-	-
CAPEX	434,731,730.00	234,384,930.91	234,384,930.91	53.91
TOTAL DONOR	434,731,730.00	234,384,930.91	234,384,930.91	53.91
GRAND TOTAL	657,839,197.00	387,557,227.07	362,921,171.17	55.17

Source: Ministry of Transport Programme Based Budget Estimates for 2022

6.0 ACHIEVEMENTS OF THE MINISTRY OF TRANSPORT IN THE 2021 FISCAL YEAR AND PROGRAMME OUTLOOK FOR 2022

6.1 Management and Administration

- i. A Financial closure has been achieved by the private partner for the Boankra Inland Port for work to commence. Construction of Phase 1 of the Project is expected to cover a land area of 64 acres.
- ii. Processes are ongoing for the Ministry to engage a Strategic Investor for the establishment of a Home Based Carrier. For 2022, the Ministry will conclude the procurement processes for the engagement of a Strategic Investor, and possibly, commence operations.
- iii. Inception Report on the Feasibility studies for the development of an airport in either the Central or Western Region or in between the two Regions has been submitted by the Consultant. Accordingly, the Ministry will commence the procurement processes for the engagement of a Contractor in year 2022.

6.2 Maritime Services Programme

- i. The Ministry, through a PPP arrangement, commenced the construction of a dedicated Container Terminal. The Project sought to develop four (4) container berths at the Tema Port including access road from the port to the motorway. The last of the four (4) berths has been completed and is operational.
- ii. The development of a multipurpose Container Terminal at the Takoradi Port is nearing completion. The Terminal will be completed and become operational in 2022.
- iii. A Feasibility study for the construction of the Keta Port has been completed. A Market Sounding Forum aimed at attracting potential investors for the development of the Keta Port has also been held. The Ministry will continue the procurement processes for the engagement of a Strategic Partner/concessionaire for Phase 1 of the Project in 2022.

- iv. The construction of Coastal Fish Landing at the following sites is at various stages of completion:

Axim-76.20%, Dixcove-69.98%, Gomoa Fete-90.20%, Moree-79.56%, Mumford-79.56%, Winneba-56.21%, Senya Breku-92.70%, Teshie-92.50%, Osu-52.50%, Ekumfi-24.60%, Mfantseman-32.41% and Keta-6.00%.

The overall completion is 56.00%. The fish landing sites are expected to be completed and operationalised in 2022. The Ministry will also continue with the development of complementary projects.

- v. The Community Level Infrastructure Project involving the construction of complementary projects such as fish smoking pavilion, health post, toilet facilities, multi-purpose market facility, drainage interventions and fish markets are at various stages of completion. The Ministry, in year 2022, will continue the development of the complementary projects.
- vi. Work on the construction of the James Town Fishing Port is 34% complete. The construction of the Breakwater, Precast yard and Concrete mixing plant is ongoing. The Ministry will continue the construction in 2022.
- vii. Construction of the main Breakwater for the Elmina Fishing Port Rehabilitation and Expansion Project is ongoing. Overall work is currently 25% complete. The Ministry will complete and operationalise the Fish Landing Site in 2022.
- viii. The Construction of ferry landing sites along the Volta Lake at Dambai and Dambai Overbank (Lot 1) is 68% complete. The Ministry will complete and operationalise the landing sites in 2022.
- ix. Feasibility Studies have been completed and a loan request submitted for the Volta Lake Improvement Project involving the supply of 5 vessels, Slipway shipyard, Integrated Management

System and 10 landing stages including accommodation, reception facilities and access roads. The Ministry will commence the procurement process in 2022.

- x. The construction of Ghana Maritime Authority (GMA) office buildings; New Head Office, regional office building at Tema and Takoradi is 75%, 10% and 62% complete respectively. The Authority will complete the construction of the office buildings in 2022.
- xi. The GMA has procured three (3) Trash Skimmer vessels to harvest plastics and other debris on our coastal waters. GMA will operationalise the Skimmers in 2022.
- xii. The construction of an Auditorium Block for the Regional Maritime University (RMU) is 40% complete. Construction works for the Auditorium will continue in 2022.
- xiii. A Feasibility Study has been completed and a loan request submitted for the modernisation of the RMU. It is expected that the procurement process for the modernisation of RMU will commence in 2022 following the approval of the request.

6.3 Road Transport Management

- i. To operationalise the National Road Safety Authority Act, 2019 (Act 993), a draft National Road Safety Authority (NRSA) Legislative Instrument has been finalised for laying in Parliament. It is expected that the NRSA Regulations will be passed in 2022.
- ii. The NRSA in the 2021 fiscal year, printed and distributed 270,000 road safety materials, organised 1,175 television and radio programmes and 200,000 social media activations as part of the nationwide road safety campaign "*Arrive Alive*". The Authority in 2022, will print and distribute 600,000 educational materials, organise 8,200 television/radio and 4,000 road safety outreach programmes. 2,000,000 social media activations would also be pursued.

- iii. The Phase 1 (1995-2015) and Phase 2 (2017-2019) of the digitization of vehicle records by DVLA have been completed. Phase 3 (2019-2021) is ongoing. The Authority will introduce an Electronic Vehicle Registration System in 2022.
- iv. Procurement process for Simulators for Driver Training is ongoing. DVLA will introduce the Simulators for driver training in 2022.
- v. A Computer Based Test (CBT) have been translated into Dagbane, Hausa, Twi, Ga, Nzema and the Ewe languages. This is awaiting approval from the Ministry of Finance to be rolled out. In 2022, DVLA will introduce the voice over CBT.
- vi. Capacity building training is currently ongoing for 60 students in welding and fabrication, auto mechanics, auto body repair works and auto electricals under a Government Technical Training Centre (GTTC), GIZ and Scania collaboration. This training will continue in 2022.
- vii. The Metro Mass Transport Limited (MMTL) signed a contract for the supply of 45 intercity buses which are currently under construction. The procurement process has also been completed for the supply of additional 55 intercity buses. The MMTL in 2022 will operationalise the buses and procure 500 new buses.

6.4 **Aviation Development and Management**

- i. The Phases II and III of the construction of the Kumasi Airport which involves the construction of a new Terminal building, car park, Apron, access road, extension of existing runway and installation of boarding bridges is 92% and 37.80% complete respectively. In the ensuing year, work on Phase II will be 100% complete and Phase III 80% complete.
- ii. The Phase II of the construction of the Tamale Airport which involves the construction of a main and multi-purpose terminals, access

roads, car park and other airport facilities is 72% complete. This Project will be completed in 2022.

- iii. Rehabilitation of the Sunyani Airport involving the overlay of the runway, rehabilitation of the terminal building and other ancillary works is 95% complete, and will be fully completed in 2022.
- iv. The construction of eight (8) parking stands at the northern Apron at Kotoka International Airport (KIA) is 30.80% complete. The Project will be 65% complete by the end of 2022.
- v. Construction of Air Navigation Services (ANS) complex at KIA is 92% complete. The complex will be 100% complete and operational in 2022.
- vi. Draft Aircraft Accident and Incident Investigation and Prevention Bureau (AIB) Regulations has been reviewed by the Attorney General and same forwarded to AIB for comments. It is expected that the Regulations will be passed and become operational in 2022.

7.0 BUDGETARY ALLOCATION FOR THE MINISTRY OF TRANSPORT AND ITS AGENCIES FOR 2022

7.1 An amount of GH¢921,843,000.00 has been allocated to the Ministry of Transport and its Agencies to carry out its programmes and activities for the 2022 fiscal year. The breakdown is shown in Tables 2 and 3:

Table 2
2022 Budgetary Allocation to the Ministry of Transport by Economic Classification

Economic Classification	GoG	IGF	DONOR	TOTAL
Compensation	10,073,000.00	60,225,000.00	-	70,298,000.00
Goods and Services	12,600,000.00	144,584,000.00	-	157,184,000.00
CAPEX	199,344,000.00	28,789,000.00	466,228,000.00	694,361,000.00
Total	222,017,000.00	233,598,000.00	466,228,000.00	921,843,000.00

Source: Programme Based Budget Estimates of the Ministry of Transport for 2022

Table 3**2022 Budgetary Allocation to the Ministry of Transport
by Programmes**

Programme	GoG	IGF	DONOR	TOTAL
Management and Administration	207,532,723.00	-	51,884,800.00	259,417,523.00
Maritime Services	-	-	232,746,400.00	232,746,400.00
Road Transport Management				
Road Safety Management	5,669,140.00	27,324,000.00	-	32,993,140.00
Motor Vehicle Technical Training	2,265,137.00	281,000.00	-	2,546,137.00
Licensing and Registration	-	205,993,000.00	-	205,993,000.00
Aviation Development & Mgt.	6,550,000.00	-	181,596,800.00	188,146,800.00
Total	222,017,000.00	233,598,000.00	466,228,000.00	921,843,000.00

Source: 2022 Budget Presentation of the Ministry of Transport

8.0 OBSERVATIONS AND RECOMMENDATIONS**8.1 2022 Budgetary Allocation**

The Committee took cognisance of the fact that the Ministry, since 2019, has seen an increase in its annual budgetary allocation. The Ministry was allocated an amount of GH¢287,330,480.47, GH¢402,819,897, and GH¢657,839,197 in 2019, 2020 and 2021 respectively.

The Committee noted that a total sum of GH¢921,843,000.00 allocated to the Ministry for the 2022 financial year represents an increase of 40.13% over the 2021 budgetary allocation of GH¢657,839,197.00. The Committee commends government for the allocation to the Transport Ministry and recommends the timely release of funds to ensure the effective and efficient execution of its programmes.

8.2 Arbitrary Charges by Shipping Lines

The Committee observed with concern the arbitrary fees charged by shipping lines which significantly increase the import cost of importers and ultimately soars up cost of imported commodities.

The Committee was informed that there are inadequate laws to deal with the current situation, thus giving shipping lines the freedom to charge arbitrary fees.

The Committee recommends to the Minister for Transport to constitute a Committee comprising the Ministry of Transport, Ghana Shippers Authority and all other stakeholders to review the shipping laws of the country and come up with recommendations that would address the problem.

8.3 Making the Volta Lake Navigable

The Committee was informed that the World Bank has conducted some feasibility study on making the Volta Lake navigable. The Committee noted that the cost of breaking rocks to create a navigable course on the Volta Lake will be far cheaper and faster, compared to the construction of railway lines from Tema through Mpakadan to Burkina Faso.

The Committee therefore recommends to the Ministry to explore this as an alternative source of transportation of goods.

8.4 Commercial Flights to Ho and Wa Airport

The Committee was informed that commercial flight services to Ho and Wa Airports have commenced. The Committee commended the Ministry of Transport, Ghana Airport Company Limited and all the aviation Agencies for this feat, and tasked the Ministry and the Aviation Agencies to look for innovative ways of making the two airports viable.

9.0 **CONCLUSION**

The Committee, after examining the 2022 Annual Estimates of the Ministry of Transport and having regard to the important role of the sector in the development agenda of the country, recommends to the House to approve the sum of **Nine Hundred and Twenty-One Million, Eight Hundred and**

Forty-Three Thousand Ghana Cedis (GH¢921,843,000.00) to enable the Ministry of Transport implement its programme and activities for the 2022 fiscal year.

Respectfully submitted.



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HON. KENNEDY NYARKO OSEI
(CHAIRMAN, COMMITTEE ON
ROADS AND TRANSPORT)



.....
JANET FRIMPONG
(CLERK, COMMITTEE ON
ROADS AND TRANSPORT)

DECEMBER 2021

