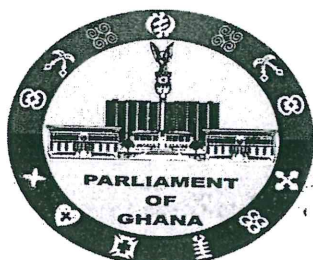


**IN THE FIRST SESSION OF THE SIXTH
PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA**





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

ON THE

**2015 ANNUAL BUDGET ESTIMATES OF
THE MINISTRY OF TRANSPORT**

12th December, 2014

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2015 ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF TRANSPORT**

1.0 INTRODUCTION

- 1.1 In fulfilment of Article 179 of the 1992 Constitution, the Budget Statement and Economic Policy of Government for 2015 Financial Year was presented to the House by the Minister for Finance on Wednesday, 19th November, 2014.
- 1.2 In accordance with Standing Orders 140 (4) and 189 of the House, the Budget Estimates of the Ministry of Transport were referred to the Committee for Roads and Transport for consideration and report.
- 1.3 The Committee met on the Estimates with the Sector Minister, Hon. Mrs. Dzifa Attivor, the Chief Director and Heads of Agencies of the Sector Ministry and the Schedule Officer from the Ministry of Finance.
- 1.4 The programme-based budget for 2015 covers the main Ministry and the following subvented Agencies:
- (i) Ghana Railway Development Authority (GRDA),
 - (ii) Driver and Vehicle Licensing Authority (DVLA),
 - (iii) Government Technical Training Centre (GTTC),
 - (iv) National Road Safety Commission (NRSC); and
 - (v) Regional Maritime University (RMU).

1.5 The Ministry also gives support to some self-financing Agencies under its purview such as the Volta Lake Transport Company (VLTC) and the Ghana Maritime Authority (GMA) for social intervention.

2.0 REFERENCE DOCUMENTS

The Committee made reference 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 2015 financial year,
- (iv) The Draft Annual Estimates of the Ministry of Transport for 2015 financial year; and
- (v) Report of the Committee on the 2014 Estimates for the Ministry of Transport.

3.0 VISION OF THE MINISTRY OF TRANSPORT

3.1 The Ministry of Transport has a vision to create an integrated, modally complimentary, 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

4.1.1 Mission

In order to realise the above Vision, the Ministry's Mission is "to provide leadership and guidance for the development of Ghana's transportation system through effective policy formulation, market regulation, asset management and service provision".

5.0 POLICY OBJECTIVES

5.1 The Policy Objectives of the Ministry of Transport are:

- (i) Establish Ghana as a transportation hub for the West African sub-region,
- (ii) Create and sustain an efficient transport system that meets the user needs,
- (iii) Integrate land use, transport planning, development planning and service provision,
- (iv) Create appropriate environment for Private Sector Participation in the delivery of Transport Infrastructure,
- (v) Develop and implement a comprehensive and integrated policy, governance and institutional framework,
- (vi) Ensure sustainable development in the transport sector; and
- (vii) Develop adequate human resources capacity and apply new technology.

6.0 PERFORMANCE IN 2014 FISCAL YEAR

6.1 RAILWAY SUB-SECTOR

- 6.1.1 In the year under review, the development of a railway master plan as a blue print for systematic development of railway network in Ghana which started in 2013 was completed.
- 6.1.2 Works on the 11km Sekondi-Takoradi through Kojokrom sub-urban railway line is 35% complete.
- 6.1.3 Under the Eastern Railway Line Project, a Transaction Advisory Service to identify private sector investor under a PPP arrangement to develop the Eastern Railway line to link the Boankra Inland Port in Kumasi has been engaged with assistance from the World Bank.
- 6.1.4 Renovation of 5 no. Railway Stations along the Accra-Tema Corridor and the construction of one new station at Tema Community 1 are nearing completion.

6.2 MARITIME AND INLAND WATERWAYS SUB-SECTOR

- 6.2.1 The Ghana Ports and Harbours Authority (GPHA) undertook a number of infrastructural works which are at various stages of completion. Expansion of existing Breakwater at the Takoradi Port by 1.15km is 71% complete while the construction of Cargo Handling Jetty at the Tema Port is 35% complete. Reconstruction of a Net Mending Warf for Canoe Basin (Tema Fishing Harbour) is still on going.
- 6.2.2 Installation of the Terrestrial Sensors for the Vessel Traffic Management and Information System (VTMIS) at the coastal areas has been completed by the GMA and commissioned.

- 6.2.3 The Ministry procured and delivered three (3no.) 50-Seater high speed passenger ferries to Akosombo for assembling. The manufacture of One Modular Passenger/Freight Vessel for various ferry crossings on the Volta Lake has also been completed and ready for shipment.
- 6.2.4 Full Engine Room Simulator Equipment was procured, installed and operationalized for RMU with assistance from the Skill Development Fund.
- 6.2.5 Construction of ten (10) Storey Head Office building for the Ghana Shippers' Authority (GSA) is 90% complete. The Takoradi Logistics Platform which will provide warehousing facilities for the oil and gas industry is also 95% complete. A service provider has also been identified for the implementation of an Advanced Shipment Information System (ASIS).

6.3 ROAD TRANSPORT SERVICES SUB-SECTOR

- 6.3.1 The NRSC undertook sensitization and awareness programmes to educate the public and road users which improved driver behaviour. The Commission therefore undertook over 1,200 outreaches to lorry stations and public places including Churches and Mosques. Besides, over 2,300 radio and 1,320 television programmes nationwide, were made.
- 6.3.2 As a result of the above stated programme, the NRSC trained over 1,200 Metro Mass Transit (MMT) drivers on refresher courses. The Commission also trained 244,000 school children across the country in safe road crossing practices and produced and installed 60 no. road crossing devices (Lollipop stands) for schools in Accra, Tema and Kumasi.

- 6.3.3. The MMT continued the provision of services to passengers by constructing terminals in various regions. The Tarkwa terminal is completed whilst that of Aflao is 85% complete.
- 6.3.4 In the year under review, Parliamentary approval was given for a suppliers' credit facility for the supply of 200 buses to augment the operations of MMT 290 Scania buses of which 245 would operate BRT and 45 to support the fleet of Inter City STC.
- 6.3.5 DVLA identified six (6) companies in each region to undertake installation of seat belts in vehicles and the Technicians are currently undergoing training.
- 6.3.6 DVLA introduced and began the issuance of new electronic road worthy certificates for all vehicles with the aim of promoting efficiency and also preventing Middle-men referred to in local parlance as "goro boys" in defrauding unsuspecting clients with fake certificates.
- 6.3.7 To improve the quality of Driver and Vehicle Testing and bringing services closer to the people, DVLA has rolled out a programme for the establishment of mobile Satellite offices in major towns and cities such as Hohoe, Nkawkaw, Tarkwa, Mampong-Ashanti and Obuasi.
- 6.3.8 The construction of a four (4) Storey eight (8) unit Classroom Block for GTTC is about 98% complete. Vulcanizing, air conditioning and automobile diagnostic equipment for training has been installed for the Centre.

6.4 AVIATION SUB-SECTOR

- 6.4.1 The sector witnessed an increase of 3% growth in domestic flight movements. A total of 13,066 movements as against a target of 11,613 from January to September 2014. Domestic passenger movement also saw a sharp increase of 20.4% being 560,499 as against a target of 465,571 for the same period.

6.4.2 The international aircraft operations at KIA declined by 1.5% achieving a figure of 19,094 against the target of 19,383. Consequently passage movement also declined by 6.6% to achieve 1,286,849 against a target of 1,377,481.

6.4.3 The following infrastructural works were on-going during the year under review:

- (a) expansion of the Arrival Hall at KIA
- (b) construction of three new boarding gates at KIA
- (c) expansion of the runway and installation of Air Ground Lighting System at Tamale International Airport
- (d) rehabilitation of Kumasi Airport runway and installation of Instrument Landing System and Airfield Lighting System.
- (e) construction of a 7-Storey Ghana Aviation Training Academy (GATA) reached 80% completion.

7.0 FINANCIAL PERFORMANCE FOR 2014

7.1 Summary of 2014 Budget: Releases & Expenditure for the Ministry and its Agencies

TABLE 1: APPROVED BUDGET AGAINST DISBURSEMENT FOR 2014 FISCAL YEAR

MoT AND ITS AGENCIES PERFORMANCE ANALYSIS AS AT OCTOBER, 2014			
ITEMS	2014 BUDGET CEILING (GH¢)	DISBURSEMENT AS AT OCTOBER, 2014 (GH¢)	%DISBURSED
COMPENSATION OF EMPLOYEES	11,210,934.00	8,603,031.00	77
GOODS AND SERVICES	3,698,512.00	2,126,645.00	58
ASSETS	17,135,565.00	14,275,021.00	83
ABFA ALLOCATION	30,089,468.00	3,562,557.00	12
TOTAL GoG	62,134,479.00	28,567,254.00	46
IGF	15,583,860.00	8,768,009.00	56
DONOR	12,230,789.00	0.00	0.0
TOTAL	89,949,128.00	37,335,263.00	42

8.0 Budgetary Allocations for the Ministry of Transport and its Agencies for 2015

8.1 The Ministry of Transport and its Agencies have been given a budget allocation of **GHC361,652,706.00** for the fiscal year 2015. The breakdown per expenditure items per the MDAs are as follows:

TABLE 2: BUDGETARY ALLOCATION FOR THE MINISTRY OF TRANSPORT AND ITS AGENCIES FOR 2015

MoT & AGENCIES	COMPENSATION (GH¢)	GOODS AND SERVICES GH¢	ASSETS GH¢	ABFA	IGF	SIP	DONOR (GH¢)	TOTAL (GH¢)
MoT HQRS:	1,076,002	991,964	400,000	5,841,194		0	124,982,243	133,291,401
GTTC	399,511	159,217	80,000		32,000			670,728
DVLA	7,213,517	-	-	-	19,304,271			26,517,788
NRSC	997,231	42,223	70,000					1,109,454
GRDA	1,189,779	655,852	-	171,926,797			24,290,905	198,063,333
RMU	0			2,000,000				2,000,000
	10,876,040	1,849,256	550,000	179,767,991	19,336,271	0	149,273,148	361,652,706
TOTAL GoG = 193,043,287.00								

TABLE 3: MDA PLANNED BUDGET 2015 AGAINST APPROVED CEILINGS

MDA PLANNED BUDGET AGAINST APPROVED CEILINGS FOR 2015				
ITEMS	APPROVED CEILINGS (GH¢)	PLANNED BUDGET 2015 (GH¢)	VARIANCE (GH) ¢	VAR %
COMPENSATION OF EMPLOYEES	10,876,040.00	11,883,589.00	(1,007,549.00)	(8.5)
GOODS AND SERVICES	1,849,256.00	12,930,468.00	(11,081,212.00)	(85.7)
ASSETS	550,000.00	58,255,879.00	(57,705,879.00)	(99.1)
ABFA ALLOCATION	179,767,991.00	422,995,989.00	(243,227,998)	(57.5)
TOTAL GoG	193,043,287.00	506,065,925.00	(313,022,638.00)	(61.9)
IGF	19,336,271.00	19,336,271.00	0:00	0.0
SOCIAL INTERVENTION PROJECT (SIP)	0.0	45,000,000.00	(45,000,000)	(100.0)
DONOR	149,273,148.00	245,991,041.00	(105,717,893.00)	(43.0)
GRAND TOTAL	361,652,706.00	816,393,237.00	(454,740,531.00)	(55.7)

9.0 PROGRAMME OUTLOOK FOR 2015

9.1 RAILWAY SUB-SECTOR

9.1.1 Ghana Railway Development Authority (GRDA) projects to continue work on the Accra – Nsawam line and also carry out routine maintenance on the Achimota-Asoprochona line all geared at improving operational safety.

9.1.2 The construction of a 2.2m x 2.2m double cell culvert at Mile 3¾ on the Accra – Achimota section of the rail way would be carried out.

- 9.1.3 GRDA also intends to construct barrier arm mechanisms at 10 level crossings on the Accra – Nsawam and Achimota – Tema Rail lines. Work on the Front End Engineering Design (FEED) for the reconstruction of the Western Line would be completed.
- 9.1.4 The Sekondi – Takoradi through Kojokrom section of the Western Line would continue and could be completed.
- 9.1.5 GRDA will conclude Cabinet and Parliamentary approvals for the commencement of work on the construction of railway line from Tema to Akosombo and the Western Rail Line.
- 9.1.6 GRDA would continue the process to develop the Eastern Rail Line to link the Boankra Inland Port under PPP arrangement.

9.2 MARITIME AND INLAND WATERWAYS SUB-SECTOR

- 9.2.1 The Ministry intends to continue the expansion works of dredging, creation of additional berths, new container terminals and access roads at the Takoradi Port.
- 9.2.2 The cargo handling jetty at the Tema Port would continue to facilitate bulk cargo handling.
- 9.2.3 The RMU will continue constructional works on the Auditorium and Library Complex.
- 9.2.4 Some of the vessels of the VLTC would be retrofitted with procured new engines to improve operations on the Volta Lake. The three (3 no.) 50 seater high speed passenger ferries and one (1 no.) modular passenger/freight would be commissioned and operationalized.
- 9.2.5 GSA will commission its ten (10) storey Head Office building in the year 2015. The Takoradi Logistics Platform will be completed in addition to the implementation of an Advanced Shipment Information System (ASHI).

9.3 ROAD TRANSPORT SERVICES SUB-SECTOR

- 9.3.1 The Ministry plans to complete the Aflao Terminal for MMT.
- 9.3.2 It is also projected that the 200 buses for MMT and the 290 Scania buses for BRT and Inter City STC would be delivered and operationalized.
- 9.3.3 DVLA will ensure that all vehicles are fitted with seat belts and road worthy certificates issued for them. All the processes would be automated to facilitate efficient service delivery.
- 9.3.4 The NRSC will increase public education and enforcement of safety standards in line with LI 2180 to improve road safety in the country.
- 9.3.5 Road agencies will be engaged to ensure necessary road markings and furniture are provided to guide all road uses.
- 9.3.6 About thirty thousand (30,000) road safety textbooks and ten thousand (10,000) teaching guide would be distributed to schools while educating Hundred thousand (100,000) school children along crash prone areas. In addition, 1,600 times of Outreach Programmes at lorry terminals, Churches and Mosques will be held and train 2,000 commercial vehicle drivers and drivers of MDAs and MMDAs with collaboration of DVLA, GTTC and National Drivers' Academy (NDA).
- 9.3.7 GTTC projects to continue training for MMT drivers and those of corporate institutions and automobile firms and also collaborate with DVLA and Judicial Service to re train offending drivers.

9.4 AVIATION SUB-SECTOR

- 9.4.1 The Ministry plans to complete the expansion of the Arrival Hall and also select a contractor to commence work on Terminal Three (3) at the Kotoka International Airport (KIA) to accommodate wide bodied aircrafts.
- 9.4.2 The Master Plan and design for new Kumasi Airport Terminal would be completed and rehabilitation works will continue on the runway and the airfield will be extended from 1,981m to 2,500m to improve service delivery.
- 9.4.3 Runway expansion and completion of the project design for the Tamale Airport would be completed.
- 9.4.4 Establishment of a National Airline through a PPP arrangement is expected to come on in 2015 while the National Airport System Plan would be finalized.
- 9.4.5 Land acquisition processes and feasibility studies towards the development of a New Airport, Aerodromes and Airstrips at Ho, Cape Coast and in Dangbe West are expected to continue and completed by the close of 2015 fiscal year.

10.0 CHALLENGES AND CONSTRAINTS

10.1 Railway Labour Rationalization

- 10.1.1 Government painstakingly continues to pay the salaries of staff of the Ghana Railway Company (GRC) due to the current unproductive operations of the railway system. The Committee noted that an amount of GH¢14,000,000.00 will be required to pay salaries of GRC staff for 2015.

10.1.2 Training Vessel for the Regional Maritime University (RMU)

The procurement of a training vessels estimated to cost GH¢2,000,000.00 to facilitate practical seafaring for sea cadets/graduates of the RMU continues to elude the University as the Government of Ghana is unable to support the University with the required funding.

TABLE 4: COMPARISON OF 2014 APPROVED BUDGET WITH 2015 CEILINGS

ITEMS	(YEAR 2014)	YEAR 2015	VARIANCE (GH¢)	VAR %
COMPENSATION OF EMPLOYEES	11,210,934.00	10,876,040.00	(334,894.00)	(3.0)
GOODS AND SERVICES	3,698,512.00	1,849,256.00	(1,849,256.00)	(50.0)
ASSETS	17,135,565.00	550,000.00	(16,585,565.00)	(96.8)
ABFA ALLOCATION	30,089,468.00	179,767,991.00	149,678,523.00	497.0
TOTAL GoG	62,134,479.00	193,043,287.00	130,908,808.00	211.0
(IGF)	15,583,860.00	19,336,271.00	3,752,411.00	24.0
DONOR	12,230,789.00	149,273,148.00	137,042,359.00	1,120.0
TOTAL	89,949,128.00	361,652,706.00	271,703,578	302.0

11.0 OBSERVATIONS AND RECOMMENDATIONS

- 11.1 Although the allocation for the Ministry is high compared with that of 2014 fiscal year, about 302% increase, the bulk of the fund (over 90%) is for payment of arrears for railway development and construction works and donor projects leaving little amount for the Ministry to operate with.
- 11.2 Budgetary disbursement to the Ministry for 2014 were low. The Committee observed that as at the end of October, 2014, the total amount released to the Ministry stood at GH¢37,335,262.50 representing 42% of the 2014 allocated amount of GH¢89,949,128.00. Obviously this severely impacted on the performance of the Ministry and its agencies.
- 11.3 International aircraft operations and passenger movement declined in 2014, partly attributed to the Ebola viral outbreak in some parts of the West African Sub-region. Although the Ministry is hopeful that the situation will assuage in 2015, pragmatic efforts should be made through Ghana's foreign Missions to educate/inform prospective travellers/tourists of their health safety as the country is not plagued with the virus. Indeed, if the confidence of travellers and country is not boosted through such pragmatic efforts, the Committee holds a bleak view for international aircraft operations and passage to Ghana last year.
- 11.4 Similarly, the Committee observed a possible decline in the patronage of domestic flights due to incessant increment of fares by the operators. The Committee noted that the policy on domestic air operations give the operators the leverage in the determination of fares which is not good enough for the prospective passenger or consumer. The Committee draws the attention to the Ghana Airport Company (GACL) to take a critical

look at the situation and ensure that best international practice for determining air fares is introduced in the domestic air operations.

- 11.5 The Committee commends the NRSC for the untiring efforts being made to reduce road accidents and its attendant fatalities. However, the Committee notes with grave concern the creeping indiscipline by Motorbike and motorized tricycle riders throughout the country. Their disdain for observance of road traffic regulations especially at traffic intersections is known by all and the Committee specifically draws NRSC's attention to the unwarranted development and urges it to increase the educational drive for riders.
- 11.6 The non-procurement of a training vessel for the RMU for practical seafaring lessons is a disincentive for the University. The Committee has repeatedly highlighted this issue in its reports for several years. The Committee is hopeful that Government will now heed to this recommendation by providing ₦2,000,000.00 to facilitate the procurement of a training vessel.

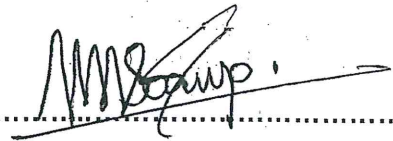
12.0 CONCLUSION

To enable the Ministry execute its programmes and activities, the Committee recommends that the House adopts the report and approve the sum of **Three Hundred and Sixty One Million, Six Hundred and Fifty Two Thousand, Seven hundred and Six Ghana Cedis (GH¢361,652,706.00)** for the Ministry of Transport for the 2015 Financial Year.

Respectfully submitted.



.....
MATTHEW ABREFA TAWIAH
CLERK, COMMITTEE ON ROADS
AND TRANSPORT



.....
HON. MICHAEL COFFIE BOAMPONG
CHAIRMAN, COMMITTEE ON ROADS
AND TRANSPORT

12th December, 2014

