

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

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

ON THE

**2013 ANNUAL BUDGET ESTIMATES OF
THE MINISTRY OF TRANSPORT**

21ST MARCH 2013

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1.0 INTRODUCTION

In fulfillment of Article 179 of the 1992 Constitution, the Budget Statement and Economic Policy of Government for the 2013 financial year was presented to the House by the Minister for Finance on Tuesday, 5th March, 2013.

In accordance with Orders 140 (4) and 189 of the Standing Orders of the House, the Budget Estimates of the Ministry of Transport were referred to the Committee for consideration and report.

During the consideration of the Budget Estimates, the Committee met with the Hon. Minister for Transport, Mrs. Dzifa Attivor, the Chief Director of the Ministry, Heads of Agencies and key officials of the Ministry and the Schedule Officers from the Ministry of Finance and Economic Planning.

The Agencies under the sector Ministry are as follows:

- (i) National Road Safety Commission,
- (ii) Driver and Vehicle Licensing Authority,
- (iii) Government Technical Training Centre,
- (iv) Metro Mass Transit Ltd,
- (v) Inter-City Transport Company,

- (vi) Volta Lake Transport Company,
- (vii) Regional Maritime University,
- (viii) Ghana Shippers' Authority,
- (ix) Ghana Ports and Harbours Authority,
- (x) PSC Tema Shipyard,
- (xi) Ghana Railway Development Authority,
- (xii) Ghana Civil Aviation Authority,
- (xiii) Ghana Maritime Authority; and
- (xiv) Ghana Airports Company Ltd.

The Committee appreciates the contributions made by the Hon. Minister for Transport and officials who attended upon the Committee during the consideration of the Budget Estimates of the Sector Ministry and lauds them for their cooperation.

2.0 REFERENCES

The Committee used the under-listed as reference materials during its deliberations:

- (i) The 1992 Constitution of the Republic of Ghana,
- (ii) The Standing Orders of Parliament of Ghana,
- (iii) The Budget Statement and Economic Policy of the Government for the 2013 Financial Year,

- (iv) The Draft Annual Estimates of the Ministry of Transport for 2013 Financial Year; and
- (v) The report of the Committee on the 2012 Estimates for 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 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 STATEMENT

In order to realize 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

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 a vibrant investment and performance-based management environment that maximises benefits for public and private sector investors,
- (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 and apply new technology.

6.0 PERFORMANCE IN 2012 FISCAL YEAR

6.1 Railway Sub-Sector

The rehabilitation and extension of the Accra-Tema sub-urban railway line from Tema Harbour to Tema Japan Motors (Community 1) was completed and rail services made accessible to commuters.

The rehabilitation of Sekondi-Takoradi railway line commenced whilst maintenance of existing lines were carried out in the neighbourhood of Achimota where a culvert has been constructed.

The development of a Railway Master Plan is nearing completion. An interim report by the Consultants has been submitted to the Ministry.

6.2 Aviation Sub-Sector

The Phase III of the rehabilitation work at Kotoka International Airport (KIA) progressed. Work on a new bay to accommodate wide bodied aircrafts continued.

The Ministry held bilateral air service negotiations with eight countries including Botswana, Canada, Kuwait, United Kingdom of Great Britain and Northern Ireland, Australia, Lebanon, Yemen and Singapore.

Besides, bilateral air service negotiations were also held with Mali whilst preparatory meetings had been held with Iran and South Africa.

The number of international airlines operating to Ghana increased to 26 as at the end of December, 2012.

6.3 Maritime Sub-Sector

The installation of a Vessel Traffic Management Information System (VTMIS) to provide surveillance on our coast line and the Volta Lake commenced.

To improve safety on the Volta Lake people from the communities along the Lake were engaged for training as Life Guards. The number of Life Guards increased from 2,300 in 2011 to 6,100 under the Volta Lake Enhancement Project.

This has resulted in drastic reduction in the number of accidents on the Volta Lake. A contract for the award of the construction of four ferries was done and works are on-going.

6.4 Road Transport Services

The National Road Safety Commission, implemented the Road Safety Strategy III (NRSS III). The emerging issues arising from the current road traffic crash data as a result of use of motorcycles for hire and reward (the 'Okada'), passenger empowerment and pedestrians' safety have been incorporated in the work plan.

The Driver and Vehicle Licensing Authority (DVLA) commenced its program of digitization of documents and this has resulted in reducing fake vehicle and Driver licensing documents by 50%.

The Government Technical Training Centre (GTTC) continued with the training of students for the automobile industry. Fifty (50) GTTC students were put on the job training in motor firms whilst 300 commercial drivers and 476 corporate drivers were trained to enhance driver performance on our roads.

7.0 PERFORMANCE FOR 2012 (JANUARY - DECEMBER)

7.1 Summary of 2012 Budget: Releases & Expenditure for the Ministry of Transport and its Agencies.

TABLE 1: APPROVED BUDGET AGAINST DISBURSEMENT FOR 2012 FISCAL YEAR

MoT AND ITS AGENCIES PERFORMANCE ANALYSIS AS AT DECEMBER, 2012			
ITEM	2012 BUDGET CEILING (GH¢)	DISBURSEMENT AS AT DECEMBER, 2012 (GH¢)	% DISBURSED
COMPENSATION OF EMPLOYEES	4,247,796	9,394,792	221.2
GOODS & SERVICES	5,948,795	6,481,217	109.0
ASSETS	16,324,539	34,677,950	212.4
ABFA ALLOCATION	70,000,000	68,159,665	97.4
<i>Goods & Services</i>	40,000,000	40,000,000	
<i>Assets</i>	30,000,000	28,159,665	
IGF	2,942,647	2,584,587	87.8
TOTAL	99,463,777	121,298,211	122.0

7.2 Budgetary Allocations for the Ministry of Transport and its Agencies for 2013

7.2.1 The Ministry of Transport and its Agencies have been allocated the total sum of GH¢ 187,086,535.00 for the 2013 fiscal year. The breakdown per expenditure items are specified below in Table 2.

TABLE 2: BUDGETARY ALLOCATION FOR THE MINISTRY OF TRANSPORT AND ITS AGENCIES FOR 2013

MoT & AGENCIES	COMPENSATION OF EMPLOYEES	GOODS AND SERVICES	ASSETS	IGF	ANNUAL BUDGET FUNDING AMOUNTS (ABFA)	SOCIAL INTERVENTION PROJECT (SIP)	DONOR	TOTAL
MoT HQRS	422,449	3,414,887	18,282,693	0	10,000,000	30,000,000	77,332,000	139,452,029
GTTC	267,799	265,107	1,230,000	0	0	0	0	1,762,906
DVLA	3,284,383	126,466	0	3,330,160	0	0	0	6,741,009
NRSC	413,086	617,068	422,380	0	0	0	0	1,452,534
GRDA	1,300,000	1,792,347	3,085,710	0	30,000,000	0	0	36,178,057
RMU	0	0	1,500,000	0	0	0	0	1,500,000
GRAND TOTAL	5,687,717	6,215,875	24,520,783	3,330,160	40,000,000	30,000,000	77,332,000	187,086,535

TABLE 3: MDA PLANNED BUDGET 2013 AGAINST APPROVED CEILINGS

EXPENDITURE ITEM	APPROVED CEILINGS (GH¢)	PLANNED BUDGET 2013 (GH¢)	VARIANCE (GH¢)	VAR %
COMPENSATIOIN OF EMPLOYEES	5,687,717	20,907,432	15,219,715	72.8
GOODS AND SERVICES	6,215,875	83,394,168	77,178,293	92.5
ASSETS	24,520,783	246,321,814	221,801,031	90.0
IGF	3,330,160	7,767,168	4,437,008	57.1
ABFA ALLOCATION	40,000,000	0	(40,000,000)	-
SOCIAL INTERVENTION PROJECT (SIP)	30,000,000	0	(30,000,000)	-
DONOR	77,332,000	0	(77,332,000)	
TOTAL	187,086,535	358,390,582	171,304,047	47.8

8.0 OUTLOOK FOR 2013

8.1 Railway Sub-Sector

8.1.1 Preparation of Railway Master Plan

The essence of a Railway Master Plan is to facilitate short to long term assessment of the Country's railway infrastructural needs. Envisaged under the activities to be executed for the project include:

- Rehabilitation plans of the existing lines,

- Define available investments and complete financial plan for investments on the rail network,
- Set out the stream of revenue forecast over a reasonable period, and identify the financial gap; and
- Develop specifications for railway infrastructure

A preliminary report had been submitted by the Consultants to the Ministry.

8.1.2 Reconstruction of the Sekondi-Takoradi sub-urban railway line

The reconstruction of the suburban railway line and renovation of the stations are to facilitate the use of railways as a means of suburban transport and help reduce vehicular traffic congestion. It is also aimed at creating employment for the teeming unemployed youth. The reconstruction of this segment forms part of the national strategy of developing a rail-based mass transport system in Accra-Tema, Kumasi-Ejisu, Accra-Nsawam. The line will also feed onto the proposed container depot of the Ghana Ports & Harbours Authority at Sekondi.

The project which started last year would be continued this year and expected to be completed in 2014.

8.1.3 Reconstruction of the Western Railway Line

The Western rail line is the major route for the transportation of major minerals mined along the corridor. The haulage of such bulk cargo on

the line reduces the challenge of deterioration of roads as a result of transporting such heavy cargo on the roads.

The project is being funded under China Development Bank loan facility. Consultants have already been engaged and evaluation of proposals is being finalized for the engagement of Contractors for the project. The project which would be continued this year is expected to be completed by the end of 2015.

8.2 Maritime Sub-Sector

8.2.1 Tema Port Expansion Project

The GPHA is undertaking a Master Plan for the Tema Port. The Tema Port Master Plan will include the construction of a new breakwater to reduce the intensity of oceanic wave action, thereby providing safe harbourage. The new breakwater (approximately 3,000 meters in length) will be constructed to protect the main harbour berths from the southerly and south-westerly waves which predominate at Tema.

Additionally, there are plans to dredge to 16-meter depth within new harbour limits to accommodate draft requirements of modern vessels within the defined harbour limits to allow for the berthing of larger vessels so as to improve the turnaround time of vessels in the Port. The Project is on-going and is expected to be completed by June, 2015.

8.2.2 Takoradi Port Expansion Project

The Takoradi Port expansion works which include oil service facilities to serve the supply vessels that ply the Rigs and an extension of the existing breakwater and construction of additional quay length to create additional harbour basin for the berthing of ships is underway. Construction work of a dedicated bulk cargo jetty for the handling of manganese, bauxite, cement and oil and reclamation of the sea to create operational areas for the oil and gas activities would be continued for completion by December, 2015.

8.3 Aviation Sub-Sector

8.3.1 Kotoka International Airport (KIA) Terminal Building Expansion Project

The KIA terminal expansion is part of the KIA Phase III Rehabilitation Project. The objective of the Project is to among other things, increase the capacity of the airport to meet its passenger handling safety, as well as, security requirements in order to meet its operational demands. Among the detailed facilities to be provided and improved are:

- (a) A new enlarged Departure Hall,
- (b) A new Concourse Building to accommodate 6 (six) new Boarding gates with Holdrooms and Boarding Bridges,
- (c) Retail and concession spaces,
- (d) Airline Lounges; and
- (e) Expanded halls for arrival, immigration and baggage claim area.

This project is estimated to cost US\$200million and would commence this year and expected to be completed by 2015.

8.3.2 Tamale Airport Upgrade Project

Parliament recently approved US\$100million for the rehabilitation and extension of the runway, as well as a Master Plan for the development of the airport.

Major works at the existing facility would be undertaken in order to upgrade it into a fully-fledged international airport to serve as alternate airport to KIA.

8.3.3 Kumasi Airport Rehabilitation Project

The passenger throughput has increased significantly and therefore the airport needs expansion. Infrastructure works including the rehabilitation of the runway and installation of Aeronautical Ground Lighting (AGL) would be undertaken to make night operations possible.

8.4 Road Transport Services Sub-Sector

8.4.1 Establishment of a National Road Transport Authority (NRTA)

A recent study identified the need to look holistically at the issue of road safety by considering the range of issues contributing to the current state of affairs.

The establishment of a NRTA as a regulatory body for the road transport services sub-sector to improve the efficiency, effectiveness, safety, quality and overall affordability of road transport services in Ghana would be pursued.

8.5 Acquisition of landed property for the Government Technical Training Centre (GTTC)

Plans to acquire a landed property for the above-mentioned training centre are on-going. Maximum efforts would be made this year to surmount problems bedeviling the land acquisition for the Centre.

8.6 Implementation of the NRSS III

The NRSC launched a ten (10) year National Strategy dubbed “the National Road Safety Strategy III (NRSS III) as the blue print for road safety management and detailed action plans which specifies programmes and activities by road safety implementing agencies in the Country. The objective is to stabilize the trend of Persons Killed and Seriously Injured (KSI) in road traffic crashes by 2015 and reduce same by 50% by 2020. The implementation would continue this year to solve problems associated with motorcycles for hire and reward (Okada).

**TABLE 4: COMPARISON OF 2012 APPROVED BUDGET WITH 2013
CEILINGS**

EXPENDITURE ITEM	YEAR 2012	YEAR 2013	VARIANCE	VAR %
COMPENSATION OF EMPLOYEES	4,247,796	5,687,717	1,439,921	25.3
GOODS AND SERVICES	5,948,795	6,215,875	267,080	4.3
ASSETS	16,324,539	24,520,783	8,196,244	33.4
IGF	2,942,647	3,330,160	387,513	11.6
ABFA ALLOCATION	70,000,000	40,000,000	(30,000,000)	(42.9)
SOCIAL INTERVENTION PROJECT (SIP)	0	30,000,000	30,000,000	100
DONOR	0	77,332,000	77,332,000	100
TOTAL	99,463,777	187,086,535	87,622,758	46.8

9.0 OBSERVATIONS AND RECOMMENDATIONS

9.1 The Committee noted that the Ministry's extra budgetary commitments for infrastructural development, payment of severance award to some GRCL Staff and indebtedness to SSNIT in the sum of GH¢452,518,726 were largely not considered. Only GH¢18,700,000 out of the amount representing 4.1% was looked at. The details are shown on Appendix A of this report.

The Committee urges the Ministry of Finance to facilitate the release of additional funding to enable the Ministry of Transport undertake this important infrastructure, payment of the severance awards and indebtedness to SSNIT.

9.2 A repeated request by the Regional Maritime University over the years for an amount of GH¢10,000,000.00 to procure a training vessel for purposes of giving practical seafaring training to its students has gone unheeded. This is very worrisome as the lack of this vital maritime equipment generally has the potential to dent the reputation of this burgeoning institution.

The Committee holds the view that when the vessel is procured, it would not only enhance acquisition of practical maritime knowledge of the students of the University but could also generate some revenue to even pay off the amount used for the purchase of the vessel. Against this background, the Committee appeals to the Ministry of Finance and

Economic Planning to accord the request with the requisite attention and priority.

The Committee's attention was also drawn to challenges faced by seafarers in the acquisition of Seamen's Book as its acquisition has been centralized in Accra. Indeed reason adduced for the centralization, when enquired, did not fly and the Committee calls for the immediate decentralization of the issuance of the Seaman's Book at least, in locations within Sekondi – Takoradi Metropolis.

- 9.3 The issue of road accidents and its attendant carnage is a prime concern to every Ghanaian. Indeed, the need to reduce the problem or devise measures to prevent it all together have always preoccupied the thoughts of the Committee. It is therefore against this background that the Committee is not happy with the paltry release of GH¢1,452,534.00 in this year's budget.

Indeed the Committee is seized with the fact that the National Road Safety Commission (NRSC) has other governmental agencies that play complimentary roles in road safety but the NRSC is the fulcrum around which strategies aimed at making our roads safe revolves around. It is therefore appropriate that maximum attention be given the NRSC by adequately resourcing it with funds to facilitate the efficient discharge of its mandate.

- 9.4 An equally important, yet neglected Agency under the sector Ministry is the Government Technical Training Centre (GTTC) in Accra. When

adequately resourced, the School has the potential to train the ever teeming youth of our Country with employable skills from driving to auto engineering. Besides, there exist, the potential in the School to train and give refresher courses to private and commercial drivers in safe and defensive driving which ultimately will help reduce the recklessness and accidents on our roads.

10.0 CONCLUSION

To enable the Ministry execute its programmes and activities, the Committee recommends to the House to adopt its report and approve the sum of **One Hundred and Eighty-Seven Million, Eighty-Six Thousand, Five Hundred and Thirty-Five Ghana Cedis (GH¢187,086,535.00)** for the Ministry of Transport for the 2013 financial year.

Respectfully submitted.



MATTHEW ABREFA TAWIAH
CLERK,
COMMITTEE ON ROADS AND
TRANSPORT



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

21ST MARCH, 2013.

APPENDIX A - EXTRA BUDGETARY REQUIRMENTS

NO.	PROJECT	BUDGET REQUEST (GH¢)	AMOUNT CONSIDERED (GH¢)	OUTSTANDING AMOUNT (GH¢)
1.	Sekondi-Kojokrom sub - urban railway line	280,252,089	18,700,000	261,552,089
2.	Labour rationalization (severance payment to GRCL Staff)	120,582,232	0	120,582,232
3.	Cumulative penalty on GRCL workers' SSNIT contribution owed to SSNIT	11,684,405	0	11,684,405
4.	Road safety and traffic management project	40,000,000	0	40,000,000
	TOTAL	452,518,726	18,700,000	433,818,726