



*IN THE SECOND SESSION OF THE  
FOURTH PARLIAMENT OF THE FOURTH  
REPUBLIC OF GHANA*

**REPORT OF THE SELECT COMMITTEE  
ON ROADS & TRANSPORT**

*ON THE*

**2007 ANNUAL BUDGET ESTIMATES OF THE  
MINISTRY OF HARBOURS AND RAILWAYS**

*DECEMBER 2007*

## **1.0 INTRODUCTION**

1.1 In fulfilment of Article 179 (1) of the 1992 Constitution of the Republic of Ghana, the Budget Statement and Economic Policy of the Government of Ghana for the 2007 financial year was presented to the House by the Minister of Finance and Economic Planning, Hon. Kwadwo Baah-Wiredu on Thursday, 16<sup>th</sup> November 2006.

The Annual Budget Estimates of the Ministry of Harbours and Railways were subsequently referred to the Committee on Roads and Transport for consideration and report in accordance with Orders 140(4) and 189 of the Standing Orders of Parliament.

1.2 To consider the referral, the Committee met with the Sector Minister, Prof. Christopher Ameyaw Ekumfi, his Deputy, officials of the Ministries of Harbours and Railways, Finance and Economic Planning (MOFEP) and officials of the underlisted agencies:

- a. Regional Maritime Academy (RMA),
- b. Ghana Railway Company Limited (GRCL),
- c. Ghana Ports and Harbours Authority (GPHA),
- d. Ghana Shippers' Council (GSC),
- e. Ghana Maritime Authority (GMA),
- f. Volta Lake Transport Company (VLTC).

The Committee is grateful to the Sector Minister, his Deputy and all officials at the Committee's meeting for their assistance in its deliberations.

## **2.0 REFERENCE DOCUMENTS**

The Committee availed itself of the following documents in its deliberations:

- 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 2007 financial year.
- d. Report of the Committee on Roads and Transport on the 2006 Annual Budget Estimates of the Ministry of Harbours and Railways.
- e. A Presentation by the Minister of Harbours and Railways on the Review of the 2006 Budget and Performance of the Ministry of Harbours and Railways.

## **3.0 THE MINISTRY'S MISSION STATEMENT**

The Ministry of Harbours and Railways exists to ensure the provision of efficient, safe, economic and reliable movement of goods and people using the rail and maritime transport system. It again ensures that the rail, inland waterways, ports and harbours contribute significantly towards the socio-economic development of the country.

## **4.0 OBJECTIVES OF THE MINISTRY**

To achieve its stated Mission, the Ministry of Harbours and Railways has set for itself, the following objectives:

- i. to formulate appropriate policies to strengthen institutional capacity.



- ii. to establish and enforce standards to transform the rail and maritime sub-sectors.
- iii. to ensure the provision and maintenance of maritime and rail infrastructure.
- iv. to provide legal framework to promote private sector participation in the rail and maritime sub-sector.
- v. to increase access and usage of information and communication technology in the provision of maritime and rail infrastructure and service delivery.
- vi. to integrate transport infrastructure in order to improve accessibility and expand economic opportunities.

## **5.0 REVIEW OF 2006 BUDGET AND PERFORMANCE OF THE MINISTRY**

5.1 Reviewing the 2006 budget and performance of the Ministry of Harbours and Railway for year 2006 (January – September), the Committee noted the following:

- i. for the year 2006, a total amount of ***Nineteen Billion, Three Hundred and Seventy-Nine Million Cedis (¢19,379,000,000)*** was allocated to the Ministry to cater for its operations. The disbursement of this amount is shown in Table 1 below:

**Table 1**

**DISBURSEMENT OF GOG FUNDS  
APPROVED AND ACTUAL EXPENDITURE  
(JANUARY – SEPTEMBER 2006)  
(In Million Cedis)**

ITEM OF EXPENDITURE	2006 BUDGET ALLOCATION	ACTUAL EXPENDITURE	BALANCE	% ACHIEVED
Personnel Emoluments	853,000,000	617,984,849	235,015,151	72.4
Administration	3,203,000,000	2,417,249,386	785,750,614	75.5
Service	2,188,000,000	1,512,229,157	675,770,843	69.1
Investment	13,135,000,000	8,732,632,033	4,402,327,967	66.5
<b>TOTAL</b>	<b>19,379,000,000</b>	<b>13,280,095,425</b>	<b>6,098,904,575</b>	<b>68.5</b>

It should be noted that, an amount of **¢73,168,000,000** was again allocated to the Ministry in the Supplementary Budget for its investment activities. Thus, the total allocation to the Ministry for year 2006 was:

<b>Annual Budget Estimates</b>	-	<b>¢19,379,000,000</b>
<b>Supplementary Budget</b>	-	<b><u>¢73,168,000,000</u></b>
<b>TOTAL</b>	-	<b><u>¢92,547,000,000</u></b>

Out of the Supplementary Budget, an amount of **¢24,387,000,000** has been committed by the Ministry for constructional activities on the

rehabilitation of the Accra – Tema railway. The remaining **¢48,781,000,000** has also been committed by the Ministry for the procurement of Diesel Multiple Units to operate commuter services on the Accra – Tema railway when completed.

As shown in the above Table, an amount of ¢853,000,000 was allocated to the Ministry for its personnel emoluments. Actual expenditure for personnel emoluments by the Ministry as at September ending was ¢617,984,849, representing 72.4% of the approved figure.

For Administration, an amount of ¢2,417,249,386 has been disbursed out of the total allocation of ¢3,203,000,000. The disbursed amount represents 75.5% of the approved allocation.

An amount of ¢1,512,229,157 representing 69.1% of the total allocation of ¢2,188,000,000 has also been disbursed by the Ministry for its service activities.

For its Investment activities, an amount of ¢13,135,000,000 was allocated to the Ministry. Out of this amount, ¢8,732,632,633 representing 66.5% of the total allocation has been disbursed.

The total disbursement of GOG Funds as at September ending is ¢13,280,095,425 representing 68.5% of the total allocation of ¢19,379,000,000 made to the Ministry.



- ii. Notwithstanding the constraints on the allocation made to the Ministry for year 2006, the Ministry focused on its core mandate of creating the required enabling environment in order to enhance private sector participation in the development of the maritime and rail transport sub-sectors for the socio-economic development of the country.

In propping up the private sector as the engine of growth, the Ministry through GPHA has put in place various interventions for private sector participation in the development and operation of the Ports such as the handling of 75% of GPHA's stevedoring operations by the private sector.

A major problem that however impeded smooth operations at the Ports was congestion of which measures have been put in place to ensure quick flow of traffic, and to reduce ship turn-around time thereby reducing cost of transacting business at the Ports. A typical example is the construction of a modern Container Devanning Terminal to receive all groupage containers and empty containers passing through the terminal. This facility will be operational by March 2007.

- iii. With regard to inland water transport, ₦1,000,000,000 out of the HIPC Fund of ₦15,000,000,000 allocated to the Ministry for year 2006 was utilized by the VLTC to rehabilitate "Uniflote" II Pontoon (Ferry A) under a serialized repair works to enable VLTC continue with the provision of transportation services to communities along the lake.

The Ministry on the other hand, was confronted with occasional boat accidents on the lake due to the numerous tree stumps in the lake,

unmarked waterways and human errors (overloading and disregard for safety measures).

## **6.0 OUTLOOK FOR YEAR 2007**

6.1 For the year under review, the Ministry of Harbours and Railways will pursue the following activities:

- i. to continue with the restructuring and privatisation process of the GPHA to completely transform it into a Landlord Port Authority.
- ii. to step up its efforts in respect of the removal of tree stumps from the Volta Lake and chart navigational fairways to ensure the safety of passengers and goods.
- iii. to support the Ghana Railway Company Limited financially to enable it complete the Accra – Tema rail rehabilitation works and introduce train services by the first quarter of year 2007.
- iv. to rehabilitate existing rail infrastructure including signaling and telecommunication facilities.
- v. to commence feasibility studies on the Tema – Akosombo rail line.
- vi. to follow-up on the implementation of the Ghana – Burkina Faso Railway Project.



## 7.0 2007 BUDGET ESTIMATES

7.1 To achieve the various programme targets set out for the year 2007, an amount of ***Twenty-Nine Billion, Four Hundred and Eighty-Three Million Cedis (¢29,483,000,000)*** has been allocated to the Ministry of Harbours and Railways.

7.2 Table 2 below shows the breakdown of the total allocation to the Ministry for the year 2007.

**Table 2**  
**BREAKDOWN OF ALLOCATION BY ITEM OF EXPENDITURE**  
**(IN BILLION CEDIS)**

<b>MDA</b>	<b>Personnel Emoluments</b>	<b>Admini- stration</b>	<b>Service</b>	<b>Investment</b>	<b>TOTAL</b>
General Administration	673	2,344	2,109	19,074	<b>24,200</b>
Shipping & Navigation Division	-	-	-	-	
Regional Maritime Academy	-	2,459	374	2,450	<b>5,283</b>
<b>TOTAL</b>	<b>673</b>	<b>4,803</b>	<b>2,483</b>	<b>21,524</b>	<b>29,483</b>

### 7.2.1 Personnel Emoluments

A total sum of **¢673,000,000** has been allocated to the Ministry to take care of personnel emoluments of the general administration of

the Ministry. Shipping and Navigation Division and the RMA were not catered for under this activity.

### **7.2.2 Administration Expenses**

An amount of **¢4,803,000,000** has been allocated to the Ministry. **¢2,344,000,000** of this amount is for the administrative cost of the Ministry whilst RMA will utilize **¢2,459,000,000** for its administrative expenses.

### **7.2.3 Service**

The Ministry of Harbours and Railways has been allocated a sum of **¢2,483,000,000** for its service activities. Out of this amount, the Ministry is to benefit from an amount of **¢2,109,000,000** whilst RMA will also benefit from **¢374,000,000**.

### **7.2.4 Investment**

A total sum of **¢21,524,000,000** has been allocated to the Sector. **¢19,074,000,000** will take care of the investment activities of the main Ministry. RMA will benefit from an amount of **¢2,450,000,000** to take care of its investment activities.

## **8.0 OBSERVATIONS**

- 8.1 Upon the enactment of an Act to establish the Ghana Maritime Authority in year 2002, the Shipping and Navigation Division (SND) which used to be the Ministry's superintendent agency for the maritime subsector has been going through a transitional phase with some of its personnel being

6.	Equipping of Kete-Krachi Ferry	-	2,100,731,761
7.	Construction of Alternative Landing Station at Yeji-Awujakope Area	-	3,000,000,000
8.	Purchase of ships, vessels, a new Ferry and engines for some existing Ferries.	-	63,433,333,333
9.	Dredging of the Makango stretch of the Volta Lake	-	3,767,406,428
10.	Rehabilitation of Signal and Tele-communication Systems	-	10,000,000,000
11.	Purchase of Train, Self-steering Wagons, Fraction Motors, Locomotives etc	-	<u>282,000,000,000</u>

**T O T A L**

**¢644,724,739,761**

From the foregoing, it is evident that unless this amount is made available to the Ministry, it will not be able to achieve its objective for year 2007.

**9.0 RECOMMENDATIONS**

In view of the observations made above, the Committee recommends the following:

- a. that the Ministry of Harbours and Railways should ensure that, returns on the allocations made to SND for year 2006 are submitted to MOFEP as early as possible to ensure that releases are made to cater for the personnel emoluments of the staff of SND.



- b. that the Ministry of Harbours and Railways should adhere to its promise as indicated to the Committee by negotiating with prospective investors to remove tree stumps from the lake and chart navigational fairways to forestall accidents on the lake.

The GMA should also undertake an intensive public campaign to educate and sensitize communities along the lake on basic safety measures on the Volta Lake.

- c. that the Ministry of Harbours and Railways should take immediate steps to ensure that appropriate legislations are passed to make VLTC an agency under the Ministry. This will enable the Ministry, exercise optimum oversight responsibility over the activities of VLTC.
- d. that until GRCL becomes fully operational and self financing, the Ministry of Harbours and Railways should ensure that measures are put in place to grant GRCL a subvented organization status to enable it receive enough funds from the Consolidated Fund to pay its workers and to minimise the numerous problems confronting it at the moment.
- e. that the Ministry of Harbours and Railways must be resourced to enable it achieve its set target. In this regard, measures should be taken by MOFEP to increase allocations to the Ministry from the HIPC Funds in the Supplementary Budget.

## 10.0 CONCLUSION

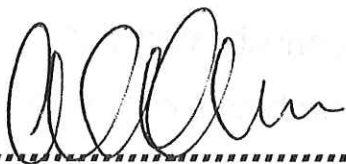
The Committee is mindful of the constraints on the national purse. However, considering huge economies of scale that shall accrue to the State if the Ministry is able to accomplish its Mission and Policy Objectives, the Government should make the necessary effort to ensure that the Ministry is adequately resourced to develop the maritime and railway subsectors to their fullest. The Committee also requests of the Ministry of Harbours and Railways, to utilise whatever resources that shall be made available to it judiciously to ensure the attainment of its goals.

Accordingly, the Committee recommends to the House for approval, the sum of ***Twenty-Nine Billion, Four Hundred and Eighty-Three Million Cedis (¢29,483,000,000)*** being the total allocation for the Ministry of Harbours and Railways for the financial year ending 31<sup>st</sup> December 2007.

Respectfully submitted.



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**HON. YAW NTOW-ABABIO**  
**(VICE-CHAIRMAN, COMMITTEE ON**  
**ROADS AND TRANSPORT)**



.....  
**ABIGAIL ABA ANSO (Ms.)**  
**(CLERK TO THE COMMITTEE)**

DECEMBER 2006