

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

**REPORT OF THE SELECT COMMITTEE ON**  
**ROADS AND TRANSPORT ON THE 2002 ANNUAL ESTIMATES**  
**OF THE MINISTRY OF ROADS & TRANSPORT**

**1.0 INTRODUCTION**

1.1 Following the presentation of the 2002 Budget and Economic Policy Statement of the Government to the House on 21st February 2002, by the Minister of Finance in accordance with Article 179 of the Constitution, the Committee on Roads and Transport, was charged to consider and report on the allocations made to the Ministry of Roads and Transport for the year 2002 pursuant to Standing Orders 140(4) and 188.

1.2 To assist the Committee in its deliberations, the Minister and officials of the Ministry of Roads and Transport attended our sittings. Also in attendance were officials of the underlisted departments and subvented agencies which fall under the ambit of the Ministry:

- a. Department of Feeder Roads (DFR)
- b. Department of Urban Roads (DUR)
- c. Ghana Highway Authority (GHA)
- d. Driver and Vehicle Licensing Authority (DVLA)
- e. Shipping and Navigation Division (SND)

- f. Government Technical Training Centre (GTTC)
- g. Regional Maritime Academy (RMA)
- h. National Road Safety Commission (NRSC).

The Committee is appreciative of their warm co-operation.

## **2.0. REFERENCE DOCUMENTS**

The following reference documents were relied on by the Committee in its deliberations:

- (a) The 1992 Constitution of the Republic of Ghana
- (b) Standing Orders of the House
- (c) 2002 State of the Nation Address by H.E. The President to Parliament
- (d) The Budget Statement and Economic Policy of the Government of Ghana for the 2002 Financial Year.
- (e) Road Fund Budget Allocation for Maintenance Programme – 2002

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

The Ministry of Roads & Transport exists to ensure the provision of an integrated, well managed and sustainable transport infrastructure and services that meet national and international standards through:

- a. the formulation and implementation of policies that are responsive to the changing needs of the country.
- b. promoting private sector participation.

- c. developing, implementing, monitoring and regulating standards.
- d. carrying out strategic investments in order to establish safe, reliable, efficient, and affordable services for all transport users.

#### **4.0 OBJECTIVES OF THE MINISTRY**

The Ministry of Roads & Transport has set for itself, nine objectives in an effort to achieve its stated mission. These objectives are:

- i. To review and develop policies, regulations and laws that conform to changing trends and needs of the transport infrastructure and services of the country.
- ii. To provide transport infrastructure and services at minimum cost throughout the country for accelerated growth whilst ensuring cost recovery.
- iii. To develop and implement an equitable integrated transport network programme in support of socio-economic development of the country.
- iv. To identify and institute measures which promote private sector participation in the transport sector.

- v. To strengthen the institutional capacities in the management of the transport system.
- vi. To institute standards to ensure safety, reliability and efficiency of the transport system to meet national and international requirement.
- vii. To progressively increase investment in the deprived areas in order to reduce the incidence of poverty.
- viii. To enhance the operational efficiency of the road network to promote economic growth through support to industries and delivery of social services to the rural and urban communities.

## **5.0 2002 BUDGET ESTIMATES**

To be able to pursue its mission and objectives in the medium term, an amount of six hundred and four billion, one hundred and forty-eight million, eight hundred and twenty thousand cedis (¢604,148,820,000.00) has been allocated to the Ministry of Roads and Transport for this year; the breakdown of which is as follows:

<b>GOG support</b>	<b>-</b>	<b>¢105,697,820,000</b>
<b>Donor Support</b>	<b>-</b>	<b>¢498,451,000,000</b>

The tables below illustrate the total allocation in respect of GOG and Donor supports for the year as well as projections for 2003 and 2004.

### 6.1 TOTAL BUDGETARY ALLOCATIONS (GOG)

<b>MDA</b>	<b>2002</b>	<b>EXPECTED LEVEL 2003</b>	<b>EXPECTED LEVEL 2004</b>
	¢	¢	¢
General Administration	5,002,001,757	5,036,100,000	5,068,000,000
Dept. of Feeder Roads	10,566,399,557	10,602,000,000	10,635,300,000
Dept. of Urban Roads	9,390,138,927	9,434,400,000	9,475,800,000
Ghana Highway Authority	75,642,641,564	75,778,000,000	75,905,000,000
Driver and Vehicle Licensing Authority	1,298,768,322	1,209,900,000	1,218,000,000
Shipping and Navigation	736,271,769	741,600,000	746,600,000
Govt. Technical Training Centre	498,013,646	501,000,000	503,800,000
Regional Maritime Academy	2,308,198,000	2,372,400,000	2,432,400,000
National Road Safety Commission	255,386,451	258,400,000	261,300,000
<b>TOTAL (GOG)</b>	<b>105,697,820,000</b>	<b>105,934,800,000</b>	<b>106,247,100,000</b>

### 6.3 TOTAL BUDGETARY ALLOCATIONS (DONOR)

<b>MDA</b>	<b>2002</b>	<b>EXPECTED LEVEL 2003</b>	<b>EXPECTED LEVEL 2004</b>
	¢	¢	¢
Dept. of Feeder Roads	69,937,000,000	68,937,000,000	68,937,000,000
Dept. of Urban Roads	66,990,000,000	63,961,900,000	63,961,900,000
Ghana Highway Authority	362,520,000,000	362,520,000,000	362,520,000,000
Govt. Technical Training Centre	4,000,000	4,000,000	4,000,000
<b>TOTAL (DONOR)</b>	<b>498,451,000,000</b>	<b>495,422,900,000</b>	<b>495,422,900,000</b>

#### 6.4 BREAKDOWN OF GOG SUPPORT

As per the attached table (Appendix I), the total GOG support of ₵105,697,820,000 is apportioned as follows:

		₵
PERSONNEL EMOLUMENTS	-	38,107,540,000
ADMINISTRATION EXPENSES	-	11,152,000,000
SERVICE	-	6,792,280,000
INVESTMENT	-	<u>49,646,000,000</u>
<b>TOTAL</b>	-	<b><u>₵105,697,820,000</u></b>

#### 7.0 INFLOWS FROM THE ROAD FUND

In addition to the GOG and Donor Component, the Ministry of Roads and Transport is expected to benefit from a domestic component to the tune of four hundred and fifty-eight billion, five hundred million cedis (₵458,500,000,000) from the Road Fund. The details are shown below:

#### INFLOWS FROM ROAD FUND

<u>MDA</u>	<u>2002</u>
	₵
Min. of Roads & Transport	15,000,000,000
Dept. of Feeder Roads	152,000,000,000
Dept. of Urban Roads	100,000,000,000
Ghana Highway Authority	190,000,000,000
Driver and Vehicle Licensing Authority	500,000,000
National Road Safety Commission	1,000,000,000
<b>TOTAL</b>	<b>₵458,500,000,000</b>

- 7.1 Out of the amount of ₱190,000,000,000 allocated to the GHA, ₱55,000,000,000 is expected to be used for routine maintenance and ₱135,000,000,000 for periodic maintenance.
- 7.2 DFR will utilize ₱35,000,000,000 of the total amount allocated to it for routine maintenance and ₱117,000,000,000 for periodic maintenance.
- 7.3 ₱22,000,000,000 of the total amount allocated to the DUR is intended for routine maintenance and ₱78,000,000,000 for periodic maintenance.
- 7.4 The amount of ₱15,000,000,000 allocated to the Ministry of Roads and Transport (MRT) is projected for emergency works such as road repairs and maintenance in the event of flooding and other disasters. DVLA's allocation is to support them in their operations. The Road Fund Act enjoins the Road Fund to support Road Safety activities. Consequently, an amount of ₱1,000,000,000 has been allocated from the Road Fund to the NRSC for road safety activities.

## **8.0 OBSERVATIONS**

- 8.1 It came to the notice of the Committee that contributions from the Road Fund for the operations of the Ministry, its Departments and Agencies were not reflected in the Budget Statement presented by the Hon. Minister for Finance. These inflows, which are substantial in value, could give a clearer picture of funds available to the MRT for road works if they had been captured in the Budget Statement.

It was observed that the projected revenues from the Road Fund were based on the expectation that the fuel levy would be increased by ₦75 per litre i.e. from its current rate of ₦230 to ₦305 before mid-year (June) 2002.

8.2 It was also observed that provisions for Personnel Emoluments for some of the Departments were found to be in excess of their needs for the year under review. For instance, SND was allocated an amount of ₦280,715,400 for its Personnel Emoluments but its officials made it known to the Committee that the required amount to cater for its Personnel Emoluments should not exceed ₦231,000,000. There is thus, an over provision of ₦49,715,400. Similarly, an amount of ₦680,450,976 has also been allocated to cover the Personnel Emoluments for the General Administration of MRT. However, the Director of Finance of the Ministry stated that ₦476,359,000 should be enough to cater for its staff for the year. In 2001, GHA was allocated the sum of ₦20,516,000,000 for Personnel Emoluments. However, the Authority's actuals for the year as given by its Chief Executive amounted to ₦17,500,000,000. The excess provision was ₦3,016,000,000. For this year, the Authority has been allocated ₦30,797,000,000, an increase of ₦10,281,000,000, constituting 50.11% higher than the projected estimates of 2001. The Committee is of the view that in the circumstance, the Authority's vote for Personnel Emoluments should not exceed the vote for 2001 because the amount of ₦30,797,000,000 is obviously far in excess of the needs of the Authority.



- 8.3 The Committee observed that although DVLA is a revenue generating organization, it is not adequately funded. Its approvals granted for Service and Investment activities over the years were either not released or only partly released. The Committee further noted that the impact of the activities of DVLA has not been adequately felt in the country due to factors such as underfunding, understaffing, lack of infrastructure and office equipment.
- 8.4 The Committee also noted that internally generated revenue to be used by the Government Technical Training Centre was not stated in the Budget Estimates. Here again, the Committee finds the situation unsatisfactory.
- 8.5 Considering the allocations made to RMA over the past years, the Committee observed that Ghana faces the difficulty of meeting the terms of payment of its subscription to the Institution. For instance the amount of ₵2,308,200,000 allocated to RMA by Ghana for 2002 at an exchange rate of ₵7000 to US\$1 is equivalent to about US\$333,016. However, Ghana's commitment to the Sub Regional Organisation of which Ghana is the current Chairman is US\$517,180 for this year.
- 8.6 The National Road Safety Commission's role in co-ordinating road safety activities throughout the country is crucial for national development. However, the Committee observed that the Commission relies on staff on secondment for its activities. Furthermore, the Commission has no permanent offices in most of the Regions, a situation that affects its

effectiveness. The Committee is of the view that this situation must be improved upon.

## **9.0 RECOMMENDATIONS**

In view of the observations made above, the Committee hereby makes the following recommendations for adoption by the House:

- a. The Committee recommends that in subsequent Budget Estimates, all revenues either generated within or provided by sister Agencies should be stated to provide grounds for fair and accurate assessment and examination of the estimates concerned. In particular, the Committee urges the incorporation of inflows from the Road Fund in future Budget Statements.
- b. The Committee also recommends that, the over provision of ₦49,715,400 for SND in respect of Personnel Emoluments be hived off and added to its allocation under Investment activities. With regard to the General Administration, the difference of ₦204,091,976 should also be transferred and added to the allocation under its Investment activities. In the case of the excess provision of ₦10,821,000,000 in respect of Personnel Emoluments for GHA, the Committee further recommends that the amount should be hived off and captured under the Investment activities of either GHA or DFR to cater for rural road projects.

- c. In the Committee's opinion, DVLA must be strengthened to enable it achieve its stated objectives. In this regard, it is recommended that the Ministry should take adequate measures in next year's budget to increase the Authority's resource base (finance, personnel and logistics).
- d. It is recommended that, the Ministry should take a second look at the objectives and status of RMA and make allocations to cater for the shortfalls in the payment of Ghana's share of the budget. Furthermore, it is recommended that the Government should consider regularising the allocations to RMA in the form of Grants as is done to UN organizations of such nature to help them in their operations.
- e. As part of efforts to combat the spate of road accidents in the country, the Committee urges the Government to strengthen the NRSC by providing it with permanent staff and office accommodation in the Regions. The Commission is also urged to reciprocate any such investment by drawing programmes that will effectively address the problem of road accidents in the country.
- F. Finally, the Committee recommends that, the Ministry of Finance should expedite action on its measures to track all Internally Generated Funds (IGF) of organizations into the Consolidated Fund.

## 10.0 CONCLUSION

Mindful of the Government's commitment to expand and upgrade infrastructural facilities to provide a template for increased economic activity and wealth creation, the Committee recommends to the House for approval, the sum of ***six hundred and four billion, one hundred and forty-eight million, eight hundred and twenty thousand cedis*** (***¢604,148,820,000***) being the total budgetary allocation for the Ministry of Roads and Transport for the 2002 financial year.

Respectfully submitted.



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



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HON. S. K. SARFOH  
**(CHAIRMAN)**

**8TH MARCH 2002**

## APPENDIX I

### SUMMARY OF ALLOCATIONS TO THE MDAS

MDA	PERSONNEL EMOLUMENTS ¢	ADMIN. EXPENSES ¢	SERVICE ¢	INVESTMENT ¢	TOTAL ¢
General Administration	680,450,976	1,137,992,781	183,558,000	3,000,000,000	5,002,001,757
Department of Feeder Roads	2,925,000,000	1,188,059,557	1,272,340,000	5,181,000,000	10,566,399,557
Department of Urban Roads	2,244,540,024	1,476,598,906	488,000,000	5,180,999,997	9,390,138,927
Ghana Highway Authority	30,797,000,000	4,538,843,561	4,271,720,000	36,035,078,003	75,642,641,564
Driver & Vehicle Licensing Authority	881,295,000	289,924,322	76,627,000	50,922,000	1,298,768,322
Shipping and Navigation Division	280,715,400	177,256,369	260,300,000	18,000,000	736,271,769
Govt. Technical Training Centre	298,538,600	100,475,046	37,000,000	62,000,000	498,013,646
Regional Maritime Academy	-	2,141,198,008	108,000,000	59,000,000	2,308,198,000
National Road Safety Commission	-	101,651,450	94,735,001	59,000,000	255,386,451
<b>TOTAL</b>	<b>38,107,540,000</b>	<b>11,152,000,000</b>	<b>6,792,280,000</b>	<b>49,646,000,000</b>	<b>105,697,820,000</b>