

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

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

ON THE

**2003 ANNUAL ESTIMATES OF THE
MINISTRY OF ROADS AND TRANSPORT**

18TH MARCH 2003

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1.0 INTRODUCTION

- 1.1 In accordance with Article 179 of the 1992 Constitution, the 2003 Budget Statement and Economic Policy of the Government was presented to the House on Thursday, 27th February 2003 by the Hon. Minister of Finance. Subsequently, the Committee on Roads and Transport was charged to consider and report to the House, the allocations made to the Ministry of Roads & Transport for the 2003 financial year pursuant to Standing Orders 140(4) and 188.
- 1.2 The Committee, in its deliberations, met with officials of the Ministry of Roads & Transport and the Ministry of Finance. Also in attendance were officials of the underlisted Departments and subvented Agencies which fall under the supervision of the Ministry.
- a. Department of Feeder Roads (DFR)
 - b. Department of Urban Roads (DUR)
 - c. Ghana Highway Authority (GHA)
 - d. Driver & Vehicle Licensing Authority (DVLA)
 - e. Shipping and Navigation Division (SND)
 - f. Government Technical Training Centre (GTTC)
 - g. National Road Safety Commission (NRSC)

The Committee is grateful to them for attending upon it to assist in its deliberations.

2.0 REFERENCE DOCUMENTS

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

- i. The 1992 Constitution of the Republic of Ghana.
- ii. The Standing Orders of the House.
- iii. The 2003 State of the Nation Address by H.E. The President to Parliament.
- iv. The Budget Statement and Economic Policy of the Government of Ghana for the 2003 financial year.
- v. The 2003 Annual Estimates of the Ministry of Roads & Transport.
- vi. The Road Fund Budgetary Allocation for Maintenance Programme – 2003.

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:

1. carrying out strategic investments in order to establish safe, reliable, efficient, and affordable services for all transport users.

- d. To institute standards to ensure safety, reliability and efficiency of the transport system to meet national and international requirement.
- e. To review and develop policies, regulations and laws that conforms to changing trends and needs of the transport infrastructure and services of the country.
- f. To identify and institute measures which promote private sector participation in the transport sector.
- g. To enhance the operational efficiency of the road network to promote economic growth through support to industries, agriculture and delivery of social services to the rural and urban communities.
- h. To progressively increase investment in the deprived areas in order to reduce the incidence of poverty.

5.0 OUTPUT OF OBJECTIVES

Among the outputs expected from the objectives of the Ministry between 2003 and 2005 are:

- i. To provide routine and periodic maintenance for 22100 km maintainable road network by 2004.

2. the formulation and implementation of policies that are responsive to the changing needs of the country.
3. the promotion of private sector participation in the Sector.
4. developing, implementing, monitoring and regulating standards.

4.0 OBJECTIVES OF THE MINISTRY

In an effort to achieve its stated Mission, the Ministry of Roads & Transport has set for itself, eight (8) main objectives. These objectives are:

- a. To provide transport infrastructure and services at minimum cost throughout the country for accelerated economic growth whilst ensuring cost recovery.
- b. To develop and implement an equitable integrated transport network programme in support of socio-economic development of the country.
- c. To strengthen the institutional capacities in the management of the transport system in the country.

The table below shows the total allocation in respect of GOG and Donor supports for the 2003 fiscal year.

TABLE 1

7.1 TOTAL BUDGETARY ALLOCATIONS (GOG AND DONOR)

M D A	GOG	DONOR	TOTAL
	₴	₴	₴
Office of the Minister	301,847,960	-	301,847,960
Gen. Administration	8,257,257,759	732,001,024	8,989,258,783
Dept. of Feeder Roads	22,988,167,256	273,949,187,500	296,937,354,756
Dept. of Urban Roads	19,243,639,120	73,185,660,061	92,429,299,181
Ghana Highway Authority	137,293,236,870	396,048,151,415	533,341,388,285
Driver & Vehicle Licensing Authority	5,167,439,298	-	5,167,439,298
Shipping & Navigation	1,314,965,001	-	1,314,965,001
Government Technical Training Centre	905,513,049	-	905,513,049
Regional Maritime Academy	4,173,049,813	-	4,173,049,813
National Road Safety Commission	925,973,875	-	925,973,875
TOTAL	200,571,090,000	743,915,000,000	944,486,090,000

- ii. To develop and implement integrated transport network programmes.
- iii. To rehabilitate local roads in eight (8) Municipal Assembly areas by 2004.
- iv. To provide equipment and buildings for the smooth performance of DVLA activities by December 2005.
- v. To install 90 small span steel bridges by 2003.
- vi. To introduce traffic safety lessons in school curriculum for 80 basic schools in two (2) regions by 2004.

6.0 2003 BUDGET ESTIMATES

To enable the Ministry achieve the various programme targets set out for year 2003, an amount of **nine hundred and forty-four billion, four hundred and eighty-six million and ninety thousand cedis (¢944,486,090,000.00)** has been allocated to it for its operations. The breakdown is as follows:

Government of Ghana (GOG) Support	-	¢ 200,571,090,000
Donor Support	-	¢ 743,915,000,000

7.2 BREAKDOWN OF EXPENDITURE BY FUNCTION AND PROGRAMME

As per the attached table (Appendix I), the total GOG support of two hundred billion, five hundred and seventy-one million and ninety thousand cedis (¢200,571,090,000.00) is apportioned as follows:

PERSONNEL EMOLUMENTS	-	43,938,000,000
ADMINISTRATION EXPENSES	-	16,639,000,000
SERVICE EXPENSES	-	16,000,000,000
INVESTMENT EXPENSES	-	<u>123,994,090,000</u>
TOTAL	-	<u>¢200,571,090,000</u>

The Donor component of seven hundred and forty-three billion, nine hundred and fifteen million cedis (¢743,915,000,000) allocated to the Ministry is to cater for investment expenses.

8.0 INFLOWS FROM THE ROAD FUND

The Ministry of Roads & Transport is expected to benefit from domestic support totalling six hundred and twenty-three billion, three hundred million cedis (¢623,300,000,000.00) from the Road Fund to supplement its total budgetary allocation. The details are as follows:

TABLE 2
ALLOCATIONS FROM THE ROAD FUND

MDA	AMOUNT	PERCENTAGE (%)
Min. of Roads & Transport	₵ 44,300,000,000	7.1
Dept. of Feeder Roads	180,800,000,000	29.0
Dept. of Urban Roads	193,200,000,000	31.0
Ghana Highway Authority	193,200,000,000	31.0
Driver & Vehicle Licensing Authority	1,800,000,000	0.3
National Road Safety Commission	2,000,000,000	0.3
Ghana Road Fund Secretariat	8,000,000,000	1.3
TOTAL	₵ 623,300,000,000	100.0

8.1 It should be noted, however, that the availability of these allocations made to the Agencies of the Ministry is contingent on the House's passage of the Customs and Excise (Petroleum Taxes and Petroleum Related Levies) Amendment Bill.

8.2 The table below shows the variance between the desired requirements of three of the Departments - GHA, DFR and DUR, and the allocations made for their maintenance activities for 2003.

TABLE 3

MDA	AMOUNT	VARIANCE
	¢	¢
Ghana Highway Authority	357,241,000,000	164,041,000,000
Dept. of Feeder Roads	250,000,000,000	69,200,000,000
Dept. of Urban Roads	353,100,000,000	159,900,000,000

8.3 For 2003, GHA has been allocated an amount of ¢193,200,000,000 for its routine and on-going periodic maintenance projects as well as new (periodic maintenance) projects. This amount represents only 54.1% of the total amount of ¢374,241,000,000 being the required budgetary allocation of the Authority for its maintenance activities.

8.4 DFR is also expected to utilize an amount of ¢180,800,000,000 allocated to it for its routine, on-going and new periodic maintenance projects. This amount represents 72.3% of the Department's total requirement of ¢250,000,000,000.

8.5 DUR's budget for 2003 was ¢353,100,000,000 for its routine, on-going and new periodic maintenance projects. However, it was allocated an amount of ¢193,200,000,000 representing 54.7% of the required budgetary needs for the year.

- 8.6 DVLA has been allocated an amount of ₵2,000,000,000 for its operations for 2003 whilst NRSC has been allocated an amount of ₵1,800,000,000 to cater for its road safety activities.
- 8.7 The amount of ₵8,000,000,000 allocated to the Ghana Road Fund Secretariat is to take care of the Secretariat's administrative expenses and the construction and repairs of Toll Booths by the Secretariat.
- 8.8 The Ministry of Roads and Transport (MRT) has been allocated an amount of ₵44,300,000,000 to cater for emergency works such as road repairs and maintenance in the event of flooding and other disasters.

9.0 OBSERVATIONS

- 9.1 The Committee observed some discrepancies between the figures contained in the Budget Statement and Economic Policy of the Government and the Estimates of the Ministry as presented to the House. For instance, the Road Fund contribution to the Sector Ministry which was captured in the broader Budget Statement did not appear in the Ministry's estimates.
- 9.2 It also came to the notice of the Committee that about 80% of the total budgetary allocation made in respect of investment activities (development of roads) is to be sourced from donors and multilateral agencies. This in the opinion of the Committee, is not

a healthy development since any delays or problems encountered in assessing these funds would interrupt the investment programmes of the Ministry and more especially, impact adversely on road construction and major rehabilitation programmes of the Ministry.

9.3. The Committee noted that currently funds for maintenance activities (routine and periodic) is derived largely from the funds accruing to the Road Fund. The Committee also noticed that allocation of funds from the Road Fund for maintenance activities fall far short of the desirable maintenance programme. This situation, in the opinion of the Committee, could hinder the achievement of the targets stated under paragraph five (5) of the output of objectives of the Ministry.

9.4 The role of the National Road Safety Commission in educating the public on road safety measures to curb the rampant accidents with the attendant fatalities and injuries on our roads cannot be overemphasized. The Committee however, observed that allocations to the NRSC is woefully inadequate to enable it fund its awareness messages and educational programmes for schools, performance by drama troupes with a focus on bad driving attitudes and the screening of films and documentaries on Television networks in the country. All these programmes attract commercial charges and rates particularly when broadcasted on our TV networks.

9.5 Road Safety programmes, in the view of the Committee, normally start with the services provided by the DVLA. However, the Committee noted that, just as the NSRC, DVLA is inadequately funded. The Committee further noted that currently, no fees or charges accrue to DVLA for services rendered in respect of vehicle examination although substantial revenue could be generated.

Indeed, the DVLA expressed the view that if it is authorized to charge vehicle examination fees of ten thousand cedis (₦10,000.00) and twenty thousand cedis (₦20,000.00) for cars and trucks respectively, it will be able to generate about one billion cedis (₦1,000,000,000.00) per month to finance its activities without counting on the Government for budgetary allocation.

10.0 RECOMMENDATIONS

In the light of the aforementioned observations, the Committee hereby makes the following recommendations for adoption by the House:

- a. that Road Fund allocation to road agencies and all revenues either generated internally or received from sister agencies should be incorporated in the Annual Estimates of the Ministry as presented to the House to provide grounds for a thorough examination and assessment of the estimates.

- b. that any shortfall in the funds allocated from the Road Fund for maintenance programmes should be topped up from the consolidated fund.
- c. that the Ministry of Roads & Transport should ensure that NRSC is adequately funded in subsequent budgets to enable it pursue its road safety programmes continuously. Furthermore, the Committee recommends that steps should be taken by the government to get TV and Radio Stations to sponsor road safety programmes.
- d. that the Ministry of Roads & Transport should ensure that, a budget line for DVLA or any of its activities is put in place in subsequent budgets to strengthen the Authority and enhance an improvement in their activities. The DVLA should be allowed to retain a portion of the revenue it generates annually to fund its activities as arranged for other revenue generating agencies such as Internal Revenue Service (IRS), Value Added Tax (VAT) and Customs Excise and Preventive Service (CEPS).

11.0 CONCLUSION

Guided by the Government's quest to give more attention to infrastructure to facilitate the production and distribution of agricultural produce by developing and rehabilitating major

highways and improving roads to major markets as well as upgrading or tarring of feeder roads, the Committee recommends to this august House, the approval of ***nine hundred and forty-four billion, four hundred and eighty-six million and ninety thousand cedis (₵944,486,090,000.00)*** being the total budgetary allocation for the Ministry of Roads & Transport for the 2003 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, COMMITTEE ON
ROADS & TRANSPORT)

18TH MARCH 2003