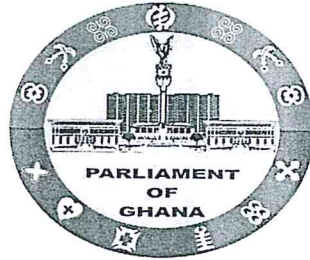


**IN THE THIRD SESSION OF THE SIXTH  
PARLIAMENT OF THE FOURTH  
REPUBLIC OF GHANA**

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

**ON THE**

**2016 ANNUAL BUDGET ESTIMATES OF  
THE MINISTRY OF TRANSPORT**

*10<sup>TH</sup> December, 2015*



**REPORT OF THE COMMITTEE ON ROADS AND TRANSPORT ON THE**  
**2016 ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF TRANSPORT**

**1.0 INTRODUCTION**

- 1.1 The Budget Statement and Economic Policy of Government of Ghana for the 2016 Financial Year was presented to Parliament by the Minister for Finance, Mr. Seth Emmanuel Terkper on Friday, 13<sup>th</sup> November, 2015 in accordance with Article 179 of the 1992 Constitution.
- 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 Tuesday, 8<sup>th</sup> December, 2015 and considered the Budget Estimates with all the relevant officials from the Sector Ministry and Agencies and also the Ministry of Finance.
- 1.4 It should be noted that the programme-based budget for 2016 covers the Ministry of Transport Headquarters 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).

## **2.0 REFERENCE DOCUMENTS**

The Committee made references 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 2016 financial year,
- (iv) The Medium Term Expenditure Framework (MTEF) for 2016-2018 Programme based budget Estimates for 2016 for the Ministry of Transport; and
- (v) The Report of the Committee on the 2015 Estimates for the Ministry of Transport.

## **3.0 VISION OF THE MINISTRY OF TRANSPORT**

3.1 The Vision of the Ministry of Transport is to create an integrated, modally complementary, 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 Mission**

4.1.1 The Ministry's Mission is "to provide leadership and guidance for the development of the Transport Sector through effective policy formulation, market regulation, asset management and service provision".

## **4.2 Policy Objectives**

4.2.1 The Policy Objectives of the Ministry as stated in the Ghana Shared Growth and Development Agenda (GSGDA II) are as follows:

- (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 Frameworks,
- (vi) Ensure sustainable development in the Transport Sector; and
- (vii) Develop adequate human resource capacity and apply new technology.

## **5.0 PERFORMANCE OF THE MINISTRY OF TRANSPORT IN 2015 FISCAL YEAR**

### **5.1 Aviation Services Programme**

5.1.1 The expansion and refurbishment of the International Arrival Hall at the Kotoka International Airport (KIA) is 60% complete and the construction of the Southern Apron at KIA to accommodate wide body aircrafts is also 95% complete.

- 5.1.2 The first phase of the upgrading of the Tamale Airport as an alternative International Airport to the Kotoka International Airport is 65% complete.
- 5.1.3 As part of the Government's policy to have aerodromes / airstrips in all the regions of the Country to facilitate efficient air transportation system and economic development among other benefits, the President had cut the sod for the development of an Aerodrome at Ho, Volta Region and the preparatory works for the Aerodrome at Wa is ongoing.
- 5.1.4 The construction of a seven-storey building by the Ghana Aviation Training Academy (GATA) to support the development of human resource capacity of the Aviation Industry reached 95% completion.
- 5.1.5 The feasibility report for the establishment of a National Carrier has been completed and discussed. The request for Proposals is being prepared for the selection of a Strategic Investor for the National Carrier.

## **5.2 Maritime Services Programme**

- 5.2.1 Three 50-Seater high speed passenger Ferries and one Modular Passenger/ Freight Vessel have been procured, assembled and undergone the requisite testing and trials and ready for deployment.
- 5.2.2 Works on the 1.1 km break water extension has been 100% complete whilst dredging of the berths and basins to 14 meters at the Takoradi Port has reached 90% completion.
- 5.2.3 The Takoradi Logistics Platform for warehousing of materials for the oil fields is also 100% complete.

5.2.4 The construction of a Jetty to facilitate the handling of bulk cargo at the Tema Port is ongoing and it is 70% complete. Additionally, a Memorandum of Understanding has been signed with an Investor Company-MPS to construct four (4) container terminals, an access road from the Port to the Accra-Tema Motorway and expansion of this Motorway from 4 to 6 lanes. The Concessional Agreement with the Investor has been finalised by the Ghana Ports and Harbours Authority.

### **5.3 Rail Transport Programme**

5.3.1 The Front End Engineering Design (FEED) of the Western Railway Line was completed and the reconstruction of the Sekondi -Takoradi via Kojokrom section of the Western Railway Line is also 50% complete.

5.3.2 A Public Private Partnership Transaction Advisor selected for the reconstruction of the Eastern Railway Line to link the Boankra Inland Port has submitted a pre-feasibility report on the Project and is currently conducting a full feasibility study on this Rail Project.

### **5.4 Road Transport Management Programme**

5.4.1 NRSC produced and distributed educational materials comprising 200,000 each of Handbills and Posters and 250,000 Stickers to improve public education on road safety. Additionally, the Commission has conducted road safety campaigns during the year in 600 Schools and about 1,621 outreach programmes in communities, market centres, lorry terminals, Churches and Mosques throughout the country.

5.4.2 Within the year, Ghana developed and implemented the National Road Safety Strategy III (2011-2020) and the African Road Safety Action Plan within the framework of the

United Nations Decade of Action for Road Safety Initiative. This has resulted in a 16% reduction in vehicle accident fatalities when the situation at the end of 2014 is compared with that of the end of September, 2015.

- 5.4.3 The Driver Vehicle and Licensing Authority (DVLA) commenced the implementation of the Electronic Roadworthy Certification of Vehicles to replace the manual system at the Accra, Weija, Tema, Winneba, Kumasi and Takoradi Stations within 2015 fiscal year.
- 5.4.4 Thirteen (13) Private Vehicle Testing Stations (PVTS) have been granted license to set up Vehicle Testing Stations throughout the Country with two (2) already in operation in Tema and Somanya. This makes the total number of PVTS to seventeen (17 no).
- 5.4.5 For the year under review, a total of four hundred and forty-five (445) buses were procured, two hundred (200) for the Metro Mass Transit (MMT) and two hundred and forty-five (245) Scania buses for the Bus Rapid Transit (BRT). One hundred and sixteen (116) out of the MMT buses have been delivered and are being installed with electronic ticketing devices whilst ten (10) out of the two hundred and forty-five (245) Scania buses have been delivered and are being used for training of the drivers.
- 5.4.6 A four Storey eight Unit Classroom Block for the training of artisans and mechanics was completed for the Government Technical Training Centre (GTTC). Additionally, modern training equipment for vulcanizing, auto air-conditioning and automobile diagnostics were procured to aid the training of artisans at GTTC.



## 6.0 FINANCIAL PERFORMANCE FOR 2015

### 6.1 Summary of 2015 Budget: Releases & Expenditure for the Ministry and its Agencies

**TABLE 1: APPROVED BUDGET AGAINST DISBURSEMENT FOR 2015 FISCAL YEAR**

| MoT AND ITS AGENCIES PERFORMANCE ANALYSIS AS AT SEPTEMBER, 2015 |                              |  |              |
|---|------------------------------|--|--------------|
| ITEMS   | 2015 BUDGET CEILING<br>(GH¢) | DISBURSEMENT AS<br>AT SEPTEMBER, 2015<br>(GH¢) | %DISBURSED   |
| COMPENSATION OF<br>EMPLOYEES                                    | 10,876,040.00                | 8,348,366.00                                   | 76.76        |
| GOODS AND<br>SERVICES   | 1,849,256.00                 | 444,761.00                                     | 24.07        |
| ASSETS  | 550,000.00                   | 60,851.00                                      | 11.06        |
| ABFA ALLOCATION   | 179,767,991.00               | 41,742,667.00                                  | 23.22        |
| <b>TOTAL GoG</b>  | <b>193,043,287.00</b>        | <b>50,596,645.00</b>                           | <b>26.21</b> |
| IGF   | 19,336,271.00                | 19,774,223.00                                  | 102.26       |
| DONOR   | 149,273,148.00               | 255,205,723.00                                 | 170.97       |
| <b>GRAND TOTAL</b>  | <b>361,652,706.00</b>        | <b>325,576,591.00</b>                          | <b>90.02</b> |

## 7.0 Budgetary Allocations for the Ministry of Transport and its Agencies for 2016

7.1 The Ministry of Transport and its Agencies have been given a budget allocation of **GH¢126,317,102.00** for the fiscal year 2016. The breakdown per expenditure items per the MDAs are as follows:

**TABLE 2: BUDGETARY ALLOCATION FOR THE MINISTRY OF TRANSPORT AND ITS AGENCIES FOR 2016**

| MoT & PRO-GRAMMES                | COMPENSATION (GH¢) | GOODS AND SERVICES GH¢ | ASSETS GH¢ | ABFA                 | IGF                  | DONOR (GH¢)          | TOTAL (GH¢)           |
|----------------------------------|--------------------|------------------------|------------|----------------------|----------------------|----------------------|-----------------------|
| Mgt. and Admin.                  | 9,358,425.00       | 495,982.00             | 0          | 0                    | 0                    | 49,982,346.00        | 59,836,753.00         |
| Rail Infrastructural Dev.        | 1,273,852.00       | 327,926.00             | 0          | 6,900,000.00         | 0                    | 0                    | 8,501,778.00          |
| Rail Infrastructural Maintenance | 0                  | 0                      | 0          | 2,100,000.00         | 0                    | 0                    | 2,100,000.00          |
| Maritime Education               | 0                  | -                      | 0          | 1,000,000.00         | 0                    | 0                    | 1,000,000.00          |
| Registration and Licensing       | 0                  | 0                      | 0          | 0                    | 53,210,561.00        | 0                    | 53,210,561.00         |
| Road Safety Management           | 1,096,183.00       | 21,112.00              | 0          | 0                    | 0                    | 0                    | 1,117,295.00          |
| Motor Vehicle Technical Training | 429,516.00         | 79,609.00              | 0          | 0                    | 41,590.00            | 0                    | 550,715.00            |
| <b>TOTAL</b>                     | <b>12,157,976</b>  | <b>924,629</b>         | <b>0</b>   | <b>10,000,000.00</b> | <b>53,252,151.00</b> | <b>49,982,346.00</b> | <b>126,317,102.00</b> |
| TOTAL GoG =GH¢23,082,605.00      |                    |                        |            |                      |                      |                      |                       |

**TABLE 3: MDA PLANNED BUDGET 2016 AGAINST APPROVED CEILINGS**

| <b>MDA PLANNED BUDGET AGAINST APPROVED CEILINGS FOR 2016</b> |                                    |  |                            |               |
|--|------------------------------------|--|----------------------------|---------------|
| <b>ITEMS</b>   | <b>APPROVED<br/>CEILINGS (GH¢)</b> | <b>PLANNED<br/>BUDGET 2016<br/>(GH¢)</b> | <b>VARIANCE<br/>(GH) ¢</b> | <b>VAR %</b>  |
| COMPENSATION OF EMPLOYEES                                    | 12,157,976.00                      | 41,592,660.00                            | (29,434,684.00)            | (70.8)        |
| GOODS AND SERVICES   | 924,629.00                         | 2,674,628.00                             | (1,749,999.00)             | (65.4)        |
| ASSETS   | 0.00                               | 40,750,000.00                            | (40,750,000.00)            | (100.00)      |
| ABFA ALLOCATION  | 10,000,000.00                      | 424,430,354.00                           | (414,430,354.00)           | (97.6)        |
| <b>TOTAL GoG</b>   | <b>23,082,605.00</b>               | <b>509,447,642.00</b>                    | <b>(486,365,037.00)</b>    | <b>(95.5)</b> |
| IGF  | 53,252,151.00                      | 68,329,736.00                            | (15,077,585.00)            | (22.1)        |
| SOCIAL INTERVENTION PROJECT (SIP)                            | 0.00                               | 61,000,000.00                            | (61,000,000.00)            | (100.0)       |
| DONOR  | 49,982,346.00                      | 49,982,346.00                            | 0.00                       | 0.00          |
| <b>GRAND TOTAL</b>   | <b>126,317,102.00</b>              | <b>688,759,724.00</b>                    | <b>(562,442,622.00)</b>    | <b>(81.7)</b> |

## **8.0 PROGRAMME OUTLOOK FOR 2016**

### **8.1 Aviation Services Programme**

- 8.1.1 The expansion and refurbishment of the International Arrival Hall of the Kotoka International Airport and the construction of the Southern Apron would continue to completion in 2016.
- 8.1.2 The upgrading of the Tamale Airport and expansion of the runway would be completed in 2016.
- 8.1.3 Works on the Wa Aerodrome /Airstrip for domestic airline operations would commence in 2016 whilst preparatory works at the Ho Aerodrome would continue.
- 8.1.4 Identification and Selection of a Strategic Investor in respect of the establishment of a National Carrier would also be carried out next year 2016.

### **8.2 Maritime Services Programme.**

- 8.2.1 In 2016, the three 50-Seater high speed passenger Ferries and one Modular Ferry would be deployed on the Volta Lake for operations.
- 8.2.2 The construction of the Takoradi Logistics Platform for warehousing of materials for the Oil Fields and the dredging of berths and basins to 14m depth would be completed and operationalised in the year 2016.
- 8.2.3 The Tema Port Jetty would be completed in 2016 fiscal year to facilitate handling of bulk cargo.

### **8.3 Rail Transport Services Programme**

8.3.1 The Front End Engineering Design (FEED) on the Eastern Railway Line would commence in 2016 while works on the Sekondi-Takoradi via Kojokrom section of the Western Railway Line which is 50% complete at the moment would continue.

### **8.4 Road Transport Services Programme**

8.4.1 The DVLA in 2016 would expand the Automated Electronic Roadworthy Certificates implementation to cover the remaining eight regions (except Greater Accra and Ashanti Regions).

8.4.2 The remaining eighty four (84) buses for the Mass Rapid Transit (MRT) would be delivered to the Metro Mass Transit Company Limited and the Inter City STC during the first quarter of 2016 whilst the Scania buses for Bus Rapid Transit (BRT) would be operationalised.

## **9.0 CHALLENGES AND CONSTRAINTS**

9.1 The GRDA, NRSC, DVLA and the GTTC are challenged with inadequate staffing which are impacting negatively on their respective activities. The GRDA needs technical staff especially Engineers to support the Chief Executive Officer, the only Engineer in the Authority for its technical operations whilst the GTTC needs experienced technical staff to train the students.

9.2 The performance of the domestic Airlines in the Aviation Industry has fallen drastically due to duties/taxes imposed on the importation of spare parts and jet fuel and also the

introduction of VAT on domestic flights. The imposition of taxes on domestic flights have made the airfares go up, resulting in low patronage.

**TABLE 4: COMPARISON OF 2015 APPROVED BUDGET WITH 2016 CEILINGS**

| ITEMS                     | YEAR 2015             | YEAR 2016             | VARIANCE (GH¢)          | VAR %         |
|---------------------------|-----------------------|-----------------------|-------------------------|---------------|
| COMPENSATION OF EMPLOYEES | 10,876,040.00         | 12,157,976.00         | 1,281,936.00            | 11.8          |
| GOODS AND SERVICES        | 1,849,256.00          | 924,629.00            | (924,629.00)            | (50.00)       |
| ASSETS                    | 550,000.00            | 0.00                  | (550,000.00)            | -             |
| ABFA                      | 179,767,991.00        | 10,000,000.00         | (169,767,991.00)        | (94.4)        |
| <b>TOTAL GoG</b>          | <b>193,043,287.00</b> | <b>23,082,605.00</b>  | <b>(169,960,682.00)</b> | <b>(88.0)</b> |
| IGF                       | 19,336,271.00         | 53,252,151.00         | 33,915,879.00           | 175.4         |
| DONOR                     | 149,273,148.00        | 49,982,346.00         | (99,290,802.00)         | (66.5)        |
| <b>GRAND TOTAL</b>        | <b>361,652,706.00</b> | <b>126,317,102.00</b> | <b>(235,335,604.00)</b> | <b>(65.1)</b> |

## 10.0 OBSERVATIONS AND RECOMMENDATIONS

- 10.1 The ABFA approved by the House for the Ministry and its Agencies for 2015 was GH¢179,767,991.00 but the Committee noted that the figure after the approval was drastically revised downward to GH¢50,047,963.00 by the Ministry of Finance. Indeed, reason for the revision was that, the expected revenue inflow was particularly affected by the slump in the international oil price to which the Committee is agreeable with.

The Committee however could not review the 2015 Ceiling for the ABFA item since the Mid-year review did not specify that amount reduction for the Ministry.

- 10.2 The shortage of critical staffing at the GRDA, NRSC, DVLA and GTTC as earlier highlighted would impact negatively on the operations of the Agencies. Numerous correspondence to the Ministry of Finance for authorisation to employ have not received the required attention. The Committee is unanimous in its plea to the House to facilitate the quick resolution of this challenge.

- 10.3 The performance of the domestic aviation is currently faced with a challenge which has the potential of crippling the once vibrant industry in the Country. While the foreign international airlines are exempted from taxes in the importation of spare parts, their domestic counterparts pay taxes on the importation of spare parts. The recent introduction of VAT on domestic flights have shot up airfares, making it expensive for many people to use air transport resulting in low patronage.

Further, the tax on jet fuel has made the price of the commodity high as compared to other countries in the sub-region. Indeed, the domestic airline operators have communicated to the Committee, the difficulty in meeting their optimal operational cost

in view of the enumerated taxes. The Committee therefore appeals to the House to re-look at the taxes to save the domestic air flights from further decline.

10.4 NRSC continues to educate and put practical measures in place to reduce accidents in the Country. However, the Commission is challenged with the lack of cooperation from some key stakeholders in the enforcement of road safety measures.

10.5 The Committee has persistently highlighted the delay in procuring a training vessel for the RMU for practical seafaring lessons as a disincentive for the University, yet there is no effort to address the challenge. Without practical seafaring training for the students, the Committee is reliably informed that it will be very difficult, if not impossible, for the students to be employed by internationally recognised marine companies.

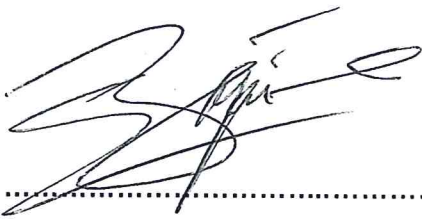
There is huge potential that will inure to the benefit of the University and indeed, Ghana in terms of revenue generation from the export of Seafarers if the University is equipped with the required vessel to give tuition to the students. The Committee is hopeful, its plea through the House to the Government to provide GH¢20,500,000.00 for the procurement of a training vessel will not be ignored.



## 11.0 CONCLUSION

To enable the Ministry execute its programmes and activities, the Committee unanimously recommends that the House adopts the report and approve the sum of **One Hundred and Twenty Six Million, Three Hundred and Seventeen Thousand, One hundred and Two Ghana Cedis (GH¢126,317,102.00)** for the Ministry of Transport for the 2016 Financial Year.

Respectfully submitted.



.....  
**M. ABREFA TAWIAH**  
**CLERK, COMMITTEE ON ROADS AND**  
**TRANSPORT**



.....  
**HON. THEOPHILUS TETTEH CHAIE**  
**CHAIRMAN, COMMITTEE ON ROADS**  
**AND TRANSPORT**

*10<sup>th</sup> December, 2015.*

