

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

REPORT OF THE COMMITTEE ON  
ROADS AND TRANSPORT

ON THE

2011 ANNUAL BUDGET ESTIMATES

OF THE

*MINISTRY OF TRANSPORT*

DECEMBER 2010

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## 1.0 INTRODUCTION

In fulfilment of Article 179 of the 1992 Constitution, the budget Statement and Economic Policy of Government for 2011 financial year was presented to the House by the Hon. Minister of Finance and Economic Planning on Thursday, 18<sup>th</sup> November, 2010.

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

The Committee met on the estimates with the Hon. Minister, Mr. Mike Hammah, the Chief Director, a representative from the Ministry of Finance and Economic Planning, Agency Heads and officials from the Ministry.

The Committee acknowledges their presence at the meeting and is grateful for their co-operation.

### 1.1 The Departments and Agencies under the 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) Intercity State Transport Company
- vi) Volta Lake Transport Company
- vii) Regional Maritime University
- viii) Ghana Shippers' Authority
- ix) Ghana Ports & Harbours Authority
- x) PSC Tema Shipyard
- xi) Ghana Railway Development Authority

- xii) Ghana Civil Aviation Authority
- xiii) Ghana Airports Company Ltd
- xiv) Ghana International Airlines Limited
- xv) Ghana Railway Company Limited

## **2.0 REFERENCE DOCUMENTS**

The following documents were referred to by the Committee:

- (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 2011 Financial Year.

## **3.0 VISION**

To create an integrated, cost effective, safe, secure, and sustainable transportation system responsible 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**

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 OF THE MINISTRY**

The Policy objective of the Transport Sector as authorized in the Medium Term Development plan and in line with the thematic areas of the National Medium Term Development Plan 2010-2013 are as follows:

- (i) To ensure safe, secure, efficient, reliable effective and accessible transport system by the provision expansion and maintenance of transport infrastructure to make Ghana a transport hub in the sub-region.
- (ii) To develop a multi-disciplinary human resource base and the use of a new technology that will strengthen the institutional capacity to facilitate the implementation of the transport sector programmes and activities.
- (iii) To develop and strengthen the appropriate regulatory framework that will ensure an efficient transport system.
- (iv) To develop and provide a sustainable legal and regulatory framework that will encourage and promote Public Private Partnership (PPP) in the provision of transport infrastructure and services.

## **6.0 PERFORMANCE IN 2010**

### **6.1 Rail Subsector**

Construction works on the rail extension from Asoprochona to Tema has been completed and His Excellency, The President has cut the sod for the extension of the line from the Tema Port to Community one. The new diesel multiple units have been commissioned and operationalised for commuter rail services between Accra and Tema. In addition, the feasibility study for the rehabilitation of the entire Western line has been completed; sectional maintenance works on the Western lines have been undertaken to facilitate the transportation of bauxite and manganese at the Takoradi Port for export.

### **6.2 Maritime and Inland Water Subsector**

The Ministry of Transport in collaboration with Zoil has introduced a programme to enhance safety of transportation on the Volta Lake. This includes checking of overloading of boats and deployment of Life Guards to attend to accidents on the Lake.

Construction of new ferries for Ekyi Amanfro-Adawso Crossing under the MiDA Project has commenced. A conceptual design for the Takoradi Port expansion project has been completed and engagement of consultants is in progress for detail design and construction.

### **6.3 Road Transport Subsector**

The National Road Safety Commission in collaboration with the Driver and Vehicle Licensing Authority and the Government Technical Training Centre (GTTC) has established the National Drivers Academy to train and retrain drivers to reduce the accident rate in the country.

The DVLA has developed regulatory standards for driving schools and driving instructors to improve the quality of driving on the road.

### **6.4 Aviation Subsector**

The Ministry had negotiated and initialed 9 bilateral Air Service Agreements which had increase the number of airlines operating from and to Kotoka International Airport (KIA) from 25 to 30. Five new domestic carriers have been issued with air carrier's license to provide air transport passenger services.

The rehabilitation of KIA is on-going and a new fire station will be completed by end of the year.

**TABLE 1: APPROVED BUDGET AGAINST DISBURSEMENT FOR 2010 FISCAL YEAR**

<b>MoT AND ITS AGENCIES PERFORMANCE ANALYSIS AS AT OCTOBER 2010</b>			
<b>ITEM</b>	<b>2010 BUDGET</b>	<b>DISBURSEMENT AS AT OCTOBER 2010</b>	<b>%</b>
<b>PERSONNEL EMOLUMENTS</b>	4,080,976	3,293,238	80.70
<b>ADMINISTRATION</b>	620,921	966,446	155.65
<b>SERVICE</b>	3,275,000	1,257,617	38.40
<b>INVESTMENT</b>	17,649,079	10,508,360	59.54
<b>IGF</b>	3,711,951	1,270,320	34.22
<b>TOTAL</b>	<b>29,337,927</b>	<b>17,295,981</b>	<b>58.95</b>

As at the end of October, 2010 the Ministry has been given an amount of GH¢17,295,981.00 out of the approved budget of GH¢29,337,927.00 for its services. This represents about 59% of the budgetary allocation.

The Impressive performance of the Ministry and its Agencies in terms of GoG releases is due to the level of investment committed into projects by Ghana Railway Development Authority (GRDA).

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

The Ministry of Transport and its Agencies have been given a budget allocation of **GH¢18,173,336.00** for the fiscal year 2011. The breakdown per expenditure items per the MDAs are as follows:

<b>MoT &amp; AGENCIES</b>	<b>PERSONNEL EMOLUMENTS</b>	<b>ADMIN.</b>	<b>SERVICE</b>	<b>INVESTMENT</b>	<b>IGF</b>	<b>TOTAL</b>
<b>MoT HQRS</b>	452,848	651,762	2,490,571	488,209	0	4,083,390
<b>RMU</b>	0	129,818	183,266	99,537	0	412,621
<b>GRDA</b>	618,000	353,757	625,680	5,589,293	0	7,186,730
<b>DVLA</b>	2,089,155	77,593	151,817	29,944	1,832,277	4,180,786
<b>GTTC</b>	425,968	67,547	182,568	45,976	0	722,059
<b>NRSC</b>	617,430	471,717	307,700	71,580	119,323	1,587,750
<b>GRAND TOTAL</b>	<b>4,203,401</b>	<b>1,752,194</b>	<b>3,941,602</b>	<b>6,324,539</b>	<b>1,951,600</b>	<b>18,173,336</b>

**TABLE 3: MDA PLANNED BUDGET 2011 AGAINST APPROVED CEILINGS**

<b>ITEM</b>	<b>APPROVED CEILINGS (GH¢)</b>	<b>PLANNED BUDGET 2011 (GH¢)</b>	<b>VARIANCE (GH¢)</b>	<b>VAR %</b>
<b>PERSONNEL EMOLUMENTS</b>	4,203,401	5,307,300	1,103,899	20.80
<b>ADMINISTRATION</b>	1,752,194	3,526,610	1,774,416	50.32
<b>SERVICE</b>	3,941,602	20,216,450	16,274,848	80.50
<b>INVESTMENT</b>	6,324,539	766,370,010	760,045,471	99.17
<b>IGF</b>	1,951,600	2,914,930	963,330	33.05
<b>TOTAL</b>	<b>18,173,336</b>	<b>798,335,300</b>	<b>780,161,964</b>	<b>97.72</b>

## **6.5 OUTLOOK 2011**

### **6.5.1 Rail Subsector**

The Ministry will continue to source for funds for the development of the railway sub-sector. The Ghana Railway Company Limited will utilize the Indian Exim facility to refurbish its rolling stock. In addition, the Ministry will prepare a Railway Master Plan, continue the rehabilitation of the Western Railway Line and the sub-urban railway lines in Accra-Nsawam, Kumasi-Ejisu and Sekondi-Takoradi.

The Ghana Railway Development Authority will be strengthened and appropriate regulatory framework for the sub-sector developed.



### **6.5.2 Aviation Subsector**

The Ministry will continue with its policy of liberalizing the regulatory framework to attract more airlines and to create the enabling environment for private sector to operate and invest in aviation infrastructure and services. The programme of making KIA as an aviation hub for the sub region will also be rigorously pursued.

The rehabilitation works at KIA and the regional airports, particularly, upgrading of Tamale Airport as alternate to KIA, will be continued.

### **6.5.3 Maritime and Inland Water Subsector**

Maritime and Inland Water Sub-sector will focus on the development of Takoradi port including oil services facilities and the enactment of the necessary regulations to guide the oil and gas production whilst feasibility study for a deep sea port will be pursued.

The Ministry will continue with the Lake Safety enhancement programme with the provision of new ferries for Kete-Krachi, Kpando-Agordeke and Ekyi-Amanfro Crossings. Also some landing stages will be constructed along the banks of the Volta Lake.

### **6.5.4 Road Transport Subsector**

The Ministry will facilitate the enactment and the implementation of the new Road Traffic Regulations which is currently before Cabinet and also continue to assist Intercity State Transport Company (ISTC), Metro Mass Transport under the Ministry's fleet renewal programme.

The National Road Safety Commission (NRSC) will facilitate the installation and operation of speed cameras and speed limiters to improve road safety.

The National Road Safety Commission (NRSC) will facilitate the installation and operation of speed cameras and speed limiters to improve road safety.

The NRSC will upgrade 2 trauma care centres along the Accra-Kumasi Highway as well as establish 2 first-aid posts on the Accra-Cape Coast Highway.

The NRSC will collaborate with the National Youth Employment Programme to engage youth for road safety education for schools and also continue to conduct driver training through the National Driver's Academy (NDA).

The DVLA will complete the automation of its services and introduce a computer based driver testing to eliminate fraud in driver testing and licensing. Appropriate regulations will be passed to enable Private Garage operators undertake vehicle testing.

**TABLE 4: COMPARISON OF 2010 APPROVED BUDGET WITH 2011 CEILINGS**

ITEM	YEAR 2010	YEAR 2011	VARIANCE	VAR %
<b>PERSONNEL EMOLUMENTS</b>	4,080,976	4,203,401	122,425	3.0
<b>ADMINISTRATION</b>	620,921	1,752,194	1,131,273	182.2
<b>SERVICE</b>	3,275,000	3,941,602	666,602	20.4
<b>INVESTMENT</b>	17,649,079	6,324,539	(11,324,540)	(179.0)
<b>IGF</b>	3,711,951	1,951,600	(1,760,351)	(90.2)
<b>TOTAL</b>	<b>29,337,927</b>	<b>18,173,336</b>	<b>(11,164,591)</b>	<b>(61.4)</b>

## 7.0 OBSERVATIONS AND RECOMMENDATIONS

### 7.1 Regional Maritime Academy

The Committee observed that there is a shortage of Manpower in the area of seafarer in the country.

It was further observed by the Committee that the Regional Maritime University (RMU) would as part of its programme for the year train **One thousand (1,000)** Seafarers to support the Maritime industry.

However, it was made known to the Committee that the Regional Maritime University does not have a training vessel for their training programme to enable the trainees acquire sea experience for 12 months. The University has therefore been holding discussions with Maritime institutions in Norway and Singapore to find a solution to the problem.

The Committee would like to recommend that the Ministry liaises with the Regional Maritime University to find ways of addressing the problem.

### 7.2 National Road Safety Commission

The Committee was not happy with allocation given to the National Road Safety Commission (NRSC) by the Road Fund Secretariat.

To be able to address this problem, the Committee would like to recommend that a Legislation be introduced to review upwards allocations made to the Commission by the Ghana Road Fund to enable the Commission carry out its policies and programmes.

### 7.3 Ghana Railway Development Authority

The Committee also expressed worry about the fact that most of the lands of the Ghana Railway Development Authority had been encroached upon. In view of this situation, the Authority intends to protect the lands that are in its possession by engaging a consultant to put them together into a master plan for the Authority.

On how to generate revenue for the Authority, the Committee also noted that the Ghana Railway Development Act makes provision for a Development Levy which needs to be implemented to generate income for the Authority.

Proposal on the Development Levy has been forwarded to the Attorney General's Office by the Authority.

The Committee is therefore urging the Ministry to liaise with the Lands Commission to address the problem of encroachment and also expedite action on the proposals on the implementation of the Development levy to be forwarded to Parliament for ratification.

With the establishment of the Ghana Railway Development Authority (GRDA) as a regulator and asset manager of the Sector, the functions of Ghana Railway Company Ltd (GRCL) is now limited to service provision. To this end, there is the need to restructure GRCL to enable it provide the needed passenger and freight services.

It is also on record that there are outstanding debt to be cleared by the Ministry for the supply of railway sleepers and ballast.

It is the opinion of the Committee that the Ghana Railway Development Authority and Ghana Railway Company Limited would go into Public Private Partnership to improve their investment portfolio and financial position.

7.4 **Driver Vehicle Licensing Authority**


The Committee also noted with satisfaction that the Driver and Vehicle Licensing Authority in line with the Authority's 5- year strategic plan will expand its operations in the Regional and District Capitals where new offices will be located since offices of the Authority at the Regional and District capitals leaves much to be desired.

The Committee is of the opinion that the Ministry assists the Authority to establish these offices to enable the Authority carry its objectives effectively and efficiently.

8.0 **CONCLUSION**

In light of the above, the Committee recommends to the House the sum of **GH¢18,173,336.00 (Eighteen Million, One Hundred and Seventy-three Thousand, Three Hundred and Thirty-six Cedis)** for the activities of the Ministry of Transport for the financial year of 2011.

Respectfully Submitted.

  
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**HON. MICHAEL COFFIE BOAMPONG**  
**CHAIRMAN, COMMITTEE OF ROADS**  
**AND TRANSPORT**

  
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**OLIVIA ASANTE (MS.)**  
**ASSISTANT CLERK TO THE**  
**COMMITTEE**