

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

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

**ON THE**

**ANNUAL BUDGET ESTIMATES OF  
THE MINISTRY OF ROADS AND  
HIGHWAYS FOR THE 2020  
FINANCIAL YEAR**

December, 2019

# BUDGET ESTIMATES REPORT OF THE COMMITTEE ON ROADS AND TRANSPORT ON THE 2020 BUDGET ESTIMATES OF THE MINISTRY OF ROADS AND HIGHWAYS

## 1.0 INTRODUCTION

- 1.1 On Wednesday 13<sup>th</sup> November 2019, the Minister of Finance and Economic Planning Mr Ken Ofori-Atta, in accordance with Article 179 of the 1992 Constitution of the Republic of Ghana presented to Parliament the Budget Statement and Economic Policy of Government for the 2020 financial year.
- 1.2 Subsequent to this, the draft Annual Budget Estimates of the Ministry of Roads and Highways was referred to the Committee on Roads and Transport for consideration and report pursuant to orders 140(4) and 189 of the House.
- 1.3 The Committee on Tuesday, 10<sup>th</sup> December 2019 met with the Minister of Roads and Highways, Mr Kwasi Amoako-Atta and his Deputy, Mr Kwabena Owusu-Aduomi together with officials of the Ministry and Heads of Agencies under the Ministry to discuss the Estimates. In attendance were officers from the Ministry of Finance and Economic Planning to assist in the deliberations. The Committee is grateful to the officials for their attendance and providing clarifications on issues raised at the meeting.
- 1.4 The Budget Estimates being programme based cover Management and Road Infrastructure Development and Maintenance, which includes Training and Financing.

These programmes are undertaken by:

- i. Ghana Highway Authority (GHA)
- ii. Department of Feeder Roads (DFR)
- iii. Department of Urban Roads (DUR)
- iv. Ghana Road Fund (GRF)
- v. Koforidua Training Centre (KTS)

## **2.0 REFERENCE DOCUMENTS**

The Committee made references to the following documents during the consideration of the Budget Estimates:

- i) The 1992 Constitution of the Republic of Ghana,
- ii) The Standing Orders of Parliament of Ghana,
- iii) The Budget Statement and Economic Policy of the Government of Ghana for the 2020 Financial Year,
- iv) The National Medium Term Development Framework (NMTDF) for 2019-2021 Programme Based Budget Estimates,
- v) Medium Term Expenditure Framework (MTEF) 2019-2022
- vi) Programme Based Budget Estimates for 2020; and
- vii) The Report of the Committee on the 2019 Budget Estimates for the Ministry of Roads and Highways.

## **3.0 MISSION (GOAL)**

MRH exists to provide an integrated, efficient, cost-effective and sustainable road transport system responsive to the needs of society, supporting growth and poverty reduction and capable of establishing and maintaining Ghana as a transportation hub of West Africa.

## **4.0 FUNCTIONS**

The Core functions of the Ministry of Roads and Highways are:

- i. Policy formulation, monitoring, evaluation and coordination with regard to the Road Infrastructure Sector.
- ii. Development and Maintenance of Road Infrastructure.
- iii. Improving Road Safety and Environment.
- iv. Financing of Road Maintenance.
- v. Training of professionals (Engineers, Contractors, etc.).

## **5.0 POLICY OBJECTIVES**

5.1 The policy objectives relevant to the Road Sector are:

- i. Ensuring safety and security for all categories of road users by incorporating pedestrian safety facilities in planning design construction and maintenance of road infrastructure and to ensure adequate road signs, markings, traffic calming measures, streetlights and non-motorists facilities are provided.
- ii. Establish Ghana as a Transportation Hub for the West Africa Sub- Region.
- iii. Create a sustainable, accessible, affordable, reliable, effective, and efficient transport system that meets user needs.
- iv. Integrate land use, transport and development planning.
- v. Create a vibrant investment and performance-based management environment that maximizes benefits for public and private sector investors.
- vi. Develop and implement comprehensive and integrated Governance and Institutional Frameworks.
- vii. Ensure Sustainable Development in the Road Transport Sector.
- viii. Develop adequate Human Resources and apply new Technology.

## **5.2 POLICY OBJECTIVES IN NMTEF (2018-2021)**

**The main policy is to improve efficiency and effectiveness of road transport infrastructure and services.**

- i. Ensure capacity improvement by constructing missing links.
- ii. Expand and maintain the national road network.
- iii. Provide bituminous surface for road network in district capitals and areas of high agricultural production and tourism.
- iv. Provide private sector participation in construction, rehabilitation and management of road transport.

- v. Prioritise international corridor development programmes towards completion of Western, Central and Eastern Corridors.
- vi. Provide regular training for local contractors and consultants to improve quality of delivery in road infrastructure, procurement, management and supervision of road contracts.
- vii. Promote local content and participation in the provision and award of contracts.

## **6.0 ACHIEVEMENTS OF THE ROAD SECTOR IN THE 2019 FISCAL YEAR**

### **6.1 General Administration**

6.1.1 The Monitoring Team of the Ministry did regional monitoring in six (6) regions and inspected 135 projects.

### **6.2. Road Rehabilitation and Maintenance Programme**

6.2.1 In the year under review, the MRH carried out routine maintenance works on 9,041km (81% of the approved work plan) on trunk road network; 18,151km (72% of the approved work plan) on the feeder road network; and 7,628km (117% of the approved work plan) on the urban road network.

6.2.2 Periodic maintenance activities, comprising re-gravelling/spot improvement and resealing works were carried out on 29km (53% of the approved work plan), 1,185km (237% of the approved work plan) and 276km (69% of the approved work plan) of trunk, feeder and urban road networks respectively.

6.2.3 Periodic maintenance on the urban roads centred on asphalt overlay works which resulted in 206km of roads being asphalted in areas such as Accra, Kumasi, Takoradi, Tema, Cape Coast, Kyebi, Juaben, Koforidua and Tamale.

6.2.4 Minor rehabilitation works covering upgrading and the construction of culverts and drainage structures were carried on 24km of trunk roads (40% of the approved work plan), 205km of feeder roads (46% of the approved work plan) and 191km of urban roads (318% of the approved work plan) networks respectively.

### 6.3 Road and Bridge Construction Programme

6.3.1 MRH in 2019, was able to undertake rehabilitation, reconstruction, construction of bridges and upgrading of roads. Major developments on the Pokuase Interchange under the Accra Urban Transport Project progressed steadily which saw the construction of piers, the 4-tier interchange, construction of 10km of selected roads, segregated walkways, footbridges and underpasses and drainage structures.

6.3.2 Works are on the Tema Motorway roundabout comprising a 3-tier interchange is on-going and progressing steadily. The underpass is almost completed and four (4) pedestrian bridges are about 90% complete.

6.3.3 Development works on Kasoa and Nungua Terminals which consist of improvement of existing parking and holding area, construction of terminal building, walkways, paved roadways, toilets and its associated facilities were completed.

6.3.4 The following roads in the Kumasi Metropolis were initiated and are ongoing;

- Reconstruction and rehabilitation of 50km of selected roads;
- Dualization of Lake Road and construction of Sissai River Storm Drain;
- Construction of Transport Terminal at Atonsu; and
- Rehabilitation of 100km of selected roads in Kumasi.

## **6.4. Road Safety and Environment Programme**

6.4.1 The Ministry pursued the implementation of the Law on Axle Load Limit as stipulated in the Road Traffic Regulation L.I. 2180. The implementation of the axle load programme over the years has resulted in the significant decrease in the incidence of overloading which currently stands at less than 3%.

6.4.2 Also, the Ministry carried out maintenance of 310 traffic signals.

## **6.5 Road Financing**

The Ministry's Public Private Partnerships (PPP) programme for the financing, construction and management of road infrastructure is progressing steadily. Four (4) projects are at different states of preparation.

### **6.5.1 Accra - Takoradi PPP Project (208km)**

The project consist of the dualization of the road including the provision of interchanges and by-passes at urban sections of the road. The Transaction Advisor has submitted a Route Report for the project and recommended a greenfield alignment for a section of the corridor.

### **6.5.2 Accra - Tema Motorway PPP Project (31.7km)**

Request for proposals were issued to four pre-Qualified Bidders. Submission is scheduled for January 2020 which will be followed by bid evaluation and contract award.

### **6.5.3 Accra - Kumasi Expressway Project (245km)**

Feasibility studies are currently underway, which are expected to be submitted by the end December 2019.

### **6.5.4 Dualization of Tema Arterial Roads**

Feasibility study of the project is expected to be completed by end of December 2019. The first phase of the Meridian Road/Beach road junction was commissioned and opened to traffic in July 2019.

## 7.0 FINANCIAL PERFORMANCE OF THE ROAD SECTOR IN 2019

The total planned budget for the Road Sector for 2019 from all sources (except Road Fund) was GH¢ 4,448,612,122. The total approved by Appropriation was GH¢ 1,290,665,926 which constituted 31% of the planned. The planned allocation from the Road Fund was GH¢ 2,921,065,909 of which GH¢ 912,666,667 was approved.

The budget allocation comprised GH¢ 45,089,232 for Compensation of Employees, GH¢ 1,476,139 for Goods and Services, GH¢ 380,000,000 for Capital Expenditure (Assets), GH¢ 854,080,179 for Donor and GH¢ 10,020,376 for Internally Generated Funds (IGF).

Table 1: Shows the Summary of the 2019 Budget Allocation and Disbursement as at Sept., 2019

ITEM	PLANNED BUDGET FOR 2019	APPROVED BUDGET 2019	REVISED BUDGET 2019	RELEASED AS AT SEPT. 2019	ACTUAL PAYMENT	VARIANCE
COMPENSATION	45,089,232	45,089,232	53,049,096	37,892,219	37,007,325	16,041,771
GOODS & SERVICES	15,000,000	1,476,139	1,476,139	1,019,621	501,117	975,022
ASSET (ABFA)	3,509,972,889.91	380,000,000	380,000,000	-		
ASSETS (GoG)			118,635,952	420,254,593.87	219,849,446	278,786,506
<b>SUB TOTAL GoG</b>	<b>3,570,062,121.91</b>	<b>426,565,371</b>	<b>553,161,187</b>	<b>459,166,433.87</b>	<b>257,357,888</b>	<b>295,803,299</b>
Development partner	876,550,000.00	854,080,179	854,080,179	-	249,986,463	604,093,716
IGF Retained	2,000,000	10,020,376	10,020,376	-	9,031,273	989,103
<b>TOTAL</b>	<b>4,448,612,121.91</b>	<b>1,290,665,926</b>	<b>1,417,261,742</b>	<b>459,166,433.87</b>	<b>516,375,624</b>	<b>900,886,118</b>



## 8.0 OUTLOOK FOR 2020

The Ministry to execute its programme of activities for the 2020 fiscal year was allocated an amount of GH¢2,275,325,663.00. The amount is to be used to enhance the activities of the Ministry through the following programmes:

i.	Management and Administration	-	GH¢90,931,696.00
ii.	Road and Bridge Construction	-	GH¢1,393,735,839.00
iii.	Road Rehabilitation and Maintenance	-	GH¢756,058,033.00
iv.	Road Safety and Environment	-	GH¢34,600,095.00
	TOTAL	-	GH¢2,275,325,663.00

### 8.1 Management and Administration

8.1.1 In the ensuing year, the effectiveness and efficiency of the performance delivery of the sector would be improved. To help achieve this, 60 technical staff and 70 non-technical staff would be recruited/replaced. Additionally, 463 technical staff and 554 non-technical staff would be trained in different disciplines.

### 8.2 Road and Bridge Construction

8.2.1 In 2020 fiscal year, 50km of truck roads and 25km of urban roads would be constructed, and those ongoing would be continued. In addition to that, 7, 5 and 2 bridges on the truck, feeder and urban networks would be constructed and also undertake 17 engineering studies with 5 on truck roads, 2 on feeder roads and 10 on urban roads.

### 8.3 Road Rehabilitation and Maintenance

8.3.1 The Ministry and its Agencies in 2020 plan to undertake 12,000km, 15,000km and 3,500km of routine maintenance activities (grading, pothole patching, shoulder maintenance, vegetation control) on trunk, feeder and urban road networks respectively.

8.3.2 Periodic maintenance activities (spot improvement, re-gravelling, resealing, asphaltic overlay, partial reconstruction, and maintenance of

Bridges) on truck, feeder and urban roads would be undertaken on 23km, 200km and 300km on Trunk, Feeder and Urban roads respectively.

8.3.3 Minor rehabilitation works would be done on 72km of Trunk roads, 320km of Feeder roads and 30km of Urban roads.

#### 8.4 Road Safety and Environment

8.4.1 The Ministry and its Agencies would install and maintain 20 and 310 traffic signals respectively. The Ministry will also correct 50 road safety hazard sites. They would construct 5km of walkway and junction improvement on 20 locations.

+Overloading of vehicles will also be kept below 5% of total vehicles weighed at all weigh stations.

### 9.0 BUDGETARY ALLOCATION FOR YEAR 2020

A total disburseable amount of GH¢2,275,325,663.00 has been allocated to the Sector Ministry to execute its planned program for Fiscal year 2020. The amount is to be spent on categorised programmes. The breakdown of the total Budgetary Provision is shown in Table 2.

TABLE 2: Budgetary allocation to the Ministry by programmes

Programme	GoG	IGF	ABFA	DONOR	TOTAL
Management and Administration	53,727,096	204,600	25,000,000	12,000,000	90,931,696
Road & Bridge Construction	1,932,334	3,140,686	559,638,819	829,024,000	1,393,735,839
Roads Rehabilitation & Maintenance	-	12,422,890	581,780,686	161,854,457	756,058,033
Road Safety & Environment	19,600	-	34,580,495	-	34,600,095
<b>TOTAL</b>	<b>55,679,030</b>	<b>15,768,176</b>	<b>1,201,000,000</b>	<b>1,02,878,457</b>	<b>2,275,325,663</b>

**TABLE 3: APPROVED CEILING FOR 2020 FISCAL YEAR PER AGENCY**

MINISTRY/AGENCIES	COMPENSATION	GOODS SERVICES &	ABFA ALLOCATION	DONOR	IGF	TOTAL
MINISTRY OF ROADS & HIGHWAYS	4,249,055	660,000	25,000,000	12,000,000	-	41,909,055
GHANA HIGHWAY AUTHORITY	31,651,224	1,029,934	595,000,000	450,000,000	15,385,370	1,093,066,528
DEPT. OF FEEDER ROADS	10,423,311	470,000	240,999,999	200,878,457	204,600	452,976,367
DEPT. OF URBAN ROADS	6,725,506	470,000	340,000,000	340,000,000	178,206	687,373,712
<b>TOTAL</b>	<b>53,049,096</b>	<b>2,629,934</b>	<b>1,201,000,000</b>	<b>1,002,878,457</b>	<b>15,768,176</b>	<b>2,275,325,663</b>

**TABLE 4: 2020 BUDGET CEILINGS FOR THE MINISTRY**

ITEM	PLANNED 2020	FINAL CEILING	% GAP
COMPENSATION	56,958,750.00	53,049,096.00	7%
GOODS SERVICES AND ASSETS:	25,108,158.80	2,629,934.00	90%
GoG	5,106,186,202.56	1,201,000,000.00	76%
ABFA		1,201,000,000.00	
<b>SUB-TOTAL GOG</b>	<b>5,188,253,111.36</b>	<b>1,256,679,030.00</b>	<b>76%</b>
DONOR	850,000,000.00	1,002,878,457.00	-18%
IGF RETAINED	17,229,042.90	15,768,176.00	8%
<b>TOTAL</b>	<b>6,055,482,154.26</b>	<b>2,275,25,663.00</b>	<b>62%</b>
ROAD FUND	2,581,141,662.67	1,133,555,449.00	6%
<b>GRAND TOTAL</b>	<b>8,636,623,816.93</b>	<b>3,408,881,112.00</b>	<b>61%</b>
<b>Financing Gap</b>	<b>5,227,742,704.93</b>		

## **10.0 OBSERVATIONS AND RECOMMENDATIONS**

### **10.1 De-capping the Road Fund**

The Committee observed with worry the challenges that the capping of the Road Fund has brought on the road sector. The capping of the Road Fund has limited resources substantially to the sector contributing to the neglect on the lagging construction in the road sector.

The Committee considered the capping trends from 2017 - 2022 and noted that, close to two billion Cedis (2,000,000,000) would be bereft of the road sector if capping continues.

The Committee as a matter of urgency recommends to the Ministry of Finance to take the necessary steps to amend the Earmarked Funds Capping and Realignment Act 2017 (Act 947) and free the Road Fund for construction of roads.

### **10.2 Percentage of Interest on Delayed Payments to Contractors**

The Committee took note of the fact that more than 50% of all Interim Payment Certificates (IPCs) presented to the Ministry by contractors for payment are interest on delayed payment. The Committee noted this as harmful as it impacts negatively on road infrastructure.

The Committee is of the considered view that if arrears owed Contractors are not cleared on time, the situation could worsen.

The Committee took cognisance of efforts being made by Ministry of Finance and the Ministry of Roads and Highways to pay the arrears owed contractors and urges the Ministry of Finance to clear all arrears owed contractors.

The Committee also observed that long delays in honouring contractors' payment certificates affect project cash flow projections. Further, the Committee noted that, untimely clearance of contractors' arrears could affect the performance of the Ministry.

The Committee further that, going forward, the Ministry of Roads and Highways should endeavour not to award contracts more than the budget allocation for any given year.

### **10.3 Inadequate and Untimely Release of Funding**

The Committee noted the important role, the road sector plays in the growth and development of the economy. It however, observed with dissatisfaction that inadequate funding and untimely release of funding adversely affect the performance of the Ministry. The Committee recommends the timely release of funds to the MRH.

### **10.4 Payment of loans contracted by MRH**

Additionally, the Committee observed with grave concern that, the Ministry has collateralized part of the Road Fund which has attracted a lot of interest. The Committee urges the Ministry of Finance to endeavour to absorb the loan to free the Road Fund.

### **10.5 Achieving the Policy of Year of Roads**

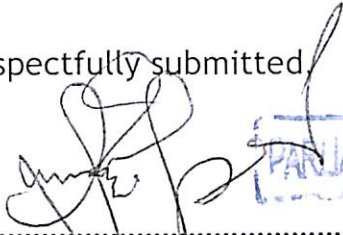
On how the Ministry was going to achieve the Policy of Year of Roads for 2020 considering the quantum of arrears owed contractors, the Committee was informed that Government was looking at innovative ways of financing road infrastructure. The Committee was informed that the Government is considering private sector participation, Build, Operate and Transfer, and other donor sources.

## **11.0 CONCLUSION**

The pivotal role played by the Road Sector is known to all. The Committee having critically scrutinised the 2020 Annual Budget Estimates, of the Ministry of Roads and Highways being mindful of the critical challenges facing the road sector, is satisfied with the financial requirements and arrangements put in place by the Ministry for the execution of its planning programmes for the year 2020 and therefore

unanimously recommend to the House for the approval of the sum of GH¢2,275,25,663.00 for the programme of the Ministry of Roads and Highways for the fiscal year 2020.

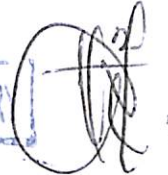
Respectfully submitted



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HON. SAMUEL AYEH-PAYE  
CHAIRMAN, COMMITTEE ON  
ROADS AND TRANSPORT



PARLIAMENT OF GHANA LIBRARY



.....  
MR. ASANTE AMOAKO-ATTA  
CLERK, COMMITTEE ON  
ROADS AND TRANSPORT

*December, 2019*