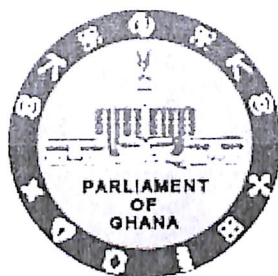


**IN THE FIRST SESSION OF THE EIGHTH
PARLIAMENT OF THE FOURTH REPUBLIC OF
GHANA**



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

ON THE

**2021 ANNUAL BUDGET ESTIMATES
OF THE MINISTRY OF ROADS AND
HIGHWAYS**

PARLIAMENT OF GHANA LIBRARY

MARCH, 2021

**REPORT OF THE COMMITTEE ON ROADS AND TRANSPORT ON
THE 2021 BUDGET ESTIMATES OF THE MINISTRY OF ROADS AND
HIGHWAYS**

1.0 INTRODUCTION

- 1.1 Further to the presentation of the 2021 Budget Statement and Economic Policy of the Government for the 2021 financial year to Parliament on Friday, 12th March 2021 in accordance with Article 179 of the 1992 Constitution of the Republic of Ghana, the 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 Standing Orders of the House.
- 1.2 The Committee on Saturday, 20th March, 2021 met with the Minister for Roads and Highways, Mr Kwasi Amoako-Atta 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 Hon. Minister and his team as well as the other officials for their attendance and providing clarifications on issues raised at the meeting.
- 1.3 The Budget Estimates is programme based and cover Management and Road Infrastructure Development and Maintenance, which include 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); and
 - 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 2021 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 2021; and
- vii) The Report of the Committee on the 2020 Budget Estimates for the Ministry of Roads and Highways.

3.0 MISSION (GOAL)

The Ministry of Roads and Highways (MRH) exists to provide an integrated, efficient, cost-effective and sustainable road transport system responsive to the needs of society. The Ministry also exists to support growth and poverty reduction and it is 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. Improvement of Road Safety and Environment.
- iv. Financing of Road Maintenance.
- v. Training of professionals i.e. Engineers, Contractors *et cetera*..

5.0 POLICY OBJECTIVES OF NMTEF (2018-2021)

The policy objectives relevant to the Road Sector are:

5.1 Improving efficiency and effectiveness of road transport infrastructure and services by –

- i. Prioritising international corridor development programmes towards completion of Western, Central and Eastern Corridors.
- ii. Expanding and maintaining the national road network.
- iii. Ensuring capacity improvement by constructing missing links.
- iv. Providing bituminous surface for the road network in district capitals and areas of high agricultural production and tourism.
- v. Facilitating private sector participation in construction, rehabilitation, and management of road transport.
- vi. Providing regular training for local contractors and consultants to improve quality of delivery in road infrastructure, procurement, management and supervision of road contracts.
- vii. Promoting local content and participation in the provision and award of contracts.

5.2 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.

6.0 ACHIEVEMENTS OF THE ROAD SECTOR IN THE 2020 FISCAL YEAR

6.1 Management and Administration

The Monitoring Team of the Ministry conducted monitoring activities in 13 out of the 16 regions and inspected over 235 projects as at 31 December 2020.

6.2 Road Rehabilitation and Maintenance Programme

- 6.2.1 In the year under review, the MRH carried out routine maintenance works on 25,048km on the trunk road network; 11,061km on the feeder road network; and 5,535km on the urban road network.

6.2.3 Periodic maintenance activities, comprising re-gravelling/spot improvement and resealing works were carried out on 62km, 120km and 1,570km of trunk, feeder and urban road networks respectively.

6.2.4 Periodic maintenance on the urban roads centred on asphalt overlay works which resulted in 648km of roads being asphalted in the following areas:

Table 1: Asphaltic Overlay Works on urban Roads

Region	Area
Greater Accra	Ashongman, Lapaz (Petroleum), Airport Residential Area, Trinity Seminary, Ga Central, Kwashiman-Ofankor, Chapel Street/Link, Dzorwulu, Tema East, Dansoman, East Legon, Trantra Hill, Ga West Roads, Tema, Baatsona, Shiashie, Burma Camp, Roman Ridge, Ofankor
Eastern	Kyebi, Koforidua, Oda, Suhum, Nana Asafo Adjei – Mile 50, Akim Oda
Upper East	Regional Hospital Road, Bolga
Western	Chapel Hill, Kwesimintim Sawmill, Assakae, New Takoradi, GPHA Quarters
Ashanti	Tech Inc – Anloga Inc, Tafo, Suame, Moshie Zongo, Buokrom, Kwadaso, Bantama, Manhyia, Mampong, Obuasi, Subin
Central	Winneba (Anglican Church – Copa Inc Rd.), Winneba – Oda Road, Bawjiase Road, Swedru SHS Roads
Bono	Sunyani Berekum
Volta	Hohoe Town Roads, Kpeme Area Roads

Source: 2021 Programme Based Budget Estimates

6.5 Minor rehabilitation works covering upgrading and the construction of culverts and drainage structures were carried on 122km of trunk roads, 486km of feeder roads and 282km of urban roads networks respectively.

6.3 Road and Bridge Construction Programme

- 6.3.1 In 2020, MRH was able to undertake Construction, Rehabilitation, Reconstruction and Upgrading of roads as well as Construction of Bridges and Interchanges.
- 6.3.2 Works progressed steadily on the Pokuase Interchange under the Accra Urban Transport Project which saw the construction of piers, the four-tier interchange, construction of 10km of selected roads, segregated walkways, footbridges and underpasses and drainage structures. Physical progress stands at 90 per cent as at the end of December 2020.
- 6.3.3 Works on the Tema Motorway roundabout comprising a three-tier interchange progressed according to schedule and physical works was at 100 per cent at the end of June 2020. Works on Phase 2 which involves the third tier of the interchange is expected to take off in 2021.
- 6.3.4 Works were also completed on the Obetsebi Lamptey Circle Interchange and other ancillary works (Phase 1) in November 2020.
- 6.3.5 Significant progress was made on the Kumasi Lake Roads and Drainage Extension project. Physical progress stood at 68 per cent as at the end of December 2020
- 6.3.6 Work started in 2020 on the La Beach Road Project. This Project aims at improving capacity along the Accra-Tema Beach Road and the construction of a three-tier interchange at the Nungua Barrier. Progress of works stood at nine (9) per cent at the end of December 2020.
- 6.3.7 Works are ongoing on the construction of 7No. Bridges in the Northern Regions. These are located in Kulun, Garu (2No.), Ambalara, Kulungugu, Doninga and Sissili. Overall physical progress stands at 97 per cent. All the bridges were completed except the one ongoing in Kulun. Also, overall progress on 5No. Belgian Bridges and 13No. Spanish Bridges are 70 per cent and 100 per cent, respectively. Repair works were carried out on the following; Kaneshie bridge (West End), Ashiaman Tunnel Bottom Slab, Mallam Interchange, and Afienya bridge. There was also a launching of an 18.3m span bailey bridge on the Dawhenya Irrigation Scheme Road and the construction of a Six-Bay Compact 200 double single bailey bridge off the Accra-Tema Motorway near Trassaco Village –Greater Accra Region.

6.3.8 Government-issued commencement certificates for the implementation of 84No. critical regional and inter-regional road projects with estimated total length of 2,237.5km and cost of GH¢7,839 million. All were awarded and works have achieved significant progress.

6.3.9 The following other important projects as captured in Table 2 have been ongoing for some time and have recently seen significant progress:

Table 2: Ongoing Roads Projects

DESCRIPTION	SCOPE	STATUS OF COMPLETION
Nsawam – Apedwa Road, North Bound (Kwafokrom-Apedwa Road)	33km	39%
Apedwa-Bunso Road	23km	76%
Bolgatanga – Bawku - Polmakom	116km	31%
Nkwanta – Oti Damanko Road	50km	54%
Oti Damanko – Nakpanduri Road	209km	77%
Berekum – Seikwa Road	34.6km	88%
Dualisation of Ho Main Roads	10.5km	55%
Teshie Link Road	7.5km	77%
Ho – Fume Road (km 0 -7, km 28.7 – 40.1) Phase 2-	18.4km	93%
Bolga – Bawku (km 12 – 24.5)	12.5km	100%
Wa - Walewale	57km	55%
The roundabout between Ejisu and KNUST	4No.	87%
Rehabilitation of New Abirem-Ofoasekuma Road	38km	15%

Source: 2021 Programme Based Budget Estimates

6.3.10 Under the Sinohydro master facility, the following ongoing projects are at various stages of completion:

Table 3: Ongoing Sinohydro projects

LOT. NO.	DESCRIPTION	UNIT	SCOPE	STATUS OF COMPLETION
1	Accra Inner City Roads	Km	84	Contractor Mobilising
2	Kumasi Inner City Roads	Km	100	Contractor Mobilising
3	Tamale Interchange Project	No.	1	60%
4	PTC Roundabout Interchange Project Takoradi	No.	1	Contractor Mobilising
5	Adenta – Dodowa Dual Carriageway	Km	14	Yet to commence
6	Sunyani Inner City Roads	Km	39	Contractor Mobilising
7	Western Region and Cape Coast Inner City Roads	Km	32.19	32%
8	Upgrading of Selected Feeder Roads in Ashanti and Western Regions	Km	68	35%
9	Construction of Hohoe-Jasikan-Dodi-Pepesu	Km	66.4	32%

Source: 2021 Programme Based Budget Estimates

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 1.7 per cent. Some truckers, however, still try to avoid the permanent stations by using detours. The Ministry is working hard to install additional stations on these routes or use mobile axle weighbridges.

- 6.4.2 Works were completed on Installation of Area-Wide Traffic Signal Control System in Accra (Phase 1). This Project generally seeks to coordinate all the traffic signals along the major routes in the capital and manage traffic remotely from a Traffic Management Centre (TMC) to optimize flow on the Amasaman-CBD Corridor, and other major corridors in Accra. The Ministry also continued to carry out maintenance activities on existing traffic signals. The first phase completed in 2019 covered 44 signalised intersections on the Accra – Nsawam road, whilst the second phase was to deal with 247 intersections to cover the whole of Accra.

6.5 Road Financing

- 6.5.1 The Ministry's Public-Private Partnerships (PPP) programme for the financing, construction and management of road infrastructure is progressing steadily. Four (4) projects namely: Accra – Takoradi PPP Project, Accra – Tema Motoway PPP Project, Accra – Kumasi Expressway Project and Development of Tema Arterial Roads are at different stages of preparation.

6.6 Accra – Takoradi PPP Project (208km)

- 6.6.1 The Project consists of the dualisation of the road including provision of interchanges and by-passes at urban sections of the road. The Transaction Advisor (TA) submitted the draft feasibility study report in September 2020 and preliminary comments were submitted to the TA for incorporation in the final feasibility study report.

6.7 Accra – Tema Motorway PPP Project (31.7km)

- 6.7.1 The PPP process was modified after the negotiations stage due to the unaffordability of the financial bid proposed by the Preferred Bidder to the Government. The Project was repackaged and PPA approval was received to single-source the EPC Contractor. The commercial contract (pre-construction contract) was signed and the arrangement for funding of the Project is on-going.

6.8 Accra – Kumasi Expressway Project (245km)

6.8.1 MRH is exploring options to reconstruct this section which is a major part of the central corridor in the shortest possible time. Works on the Kwafokrom – Apedwa North Bound carriageway is ongoing under China Water Ltd with the opening of the Suhum Interchange. The section from Apedwa to Nkwakaw is yet to receive a firm offer from interested developers. An MOU was signed for the Nkwakaw to Konongo section. MRH is also currently reviewing a proposal to reconstruct the Konongo – Ejisu road and Konongo By-pass into a dual carriageway.

6.9 Development of Tema Arterial Roads

6.9.1 Government continued its engagement with the Proponent in the development of the Project which involves an upgrade road network connecting the Accra – Tema Motorway from the Ashaiman Interchange to the Tema Port. The Proponent submitted the feasibility study which has undergone several technical reviews and negotiations on the scope and cost of the Project. Executive Cabinet Approval was received to enter into a concession agreement with the Proponent after the project scope and financing arrangements were agreed. The Parliamentary Select Committee was briefed on the Project details and the Proponent is expected to submit the final feasibility study report.

7.0 FINANCIAL PERFORMANCE OF THE ROAD SECTOR IN 2020

The total planned budget for the Road Sector for 2020 from all sources (except Road Fund) was **GH¢ 4,851,415,007**. The total amount approved by Appropriation was **GH¢ 2,275,325,664** which constituted 47 per cent of the planned budget. The planned allocation from the Road Fund was **GH¢ 2,581,141,663** of which **GH¢1,133,555,449** was approved, representing 44 per cent of the planned amount.

Following the 2020 midyear review of the National Budget, the Road Sector Budget for compensation was increased from **GH¢ 53,049,097** to **GH¢ 56,171,582**. Also, the Capital Expenditure (Assets) was increased from **GH¢1,201,000,000** to **GH¢ 1,901,000,000**. The total approved budget by Appropriation following the 2020 midyear review became **GH¢ 2,978,448,149** which constituted 61 per cent of the planned budget.

The total Road Fund revenue from January to December, 2020 from the traditional sources amounted to **GH¢1.084** billion. During the same period the Fund expended an amount of **GH¢1,232,905,783** (including **GH¢238,902,256**) for repayment of a loan facility it took.

Table 4: Summary of the 2020 Budget Allocation and Disbursement as of Dec. 2020

ITEM	2020 APPROPRIATION	2020 MID-YEAR REVISED APPROPRIATION	BUDGET ALLOTMENT/RE LEASE	EXPENDITURE/ACTUAL PAYMENT
COMPENSATION	53,049,097	56,171,582	53,259,198.45	53,259,198.45
GOODS & SERVICES	2,629,934	2,629,934	1,709,457.10	1,609,227.65
ASSET (GOG&ABFA)	1,201,000,000	1,901,000,000	1,875,038,782.00	1,850,296,492.00
SUB TOTAL GOG	1,256,679,031	1,959,801,516	1,930,007,437.55	1,905,164,918.10
DEVELOPMENT PARTNER	1,002,878,457	1,002,878,457	664,084,373.70	664,084,373.70
IGF RETAINED	15,768,176	15,768,176	23,575,280.37	23,575,280.37
TOTAL	2,275,325,664	2,978,448,149	2,617,667,091.62	2,592,824,572.17
ROAD FUND	1,133,555,449	1,133,555,449	1,230,905,783.09	,230,905,783.09
NON-ROAD ARREARS			127,372,332.00	127,372,332.00

Source: 2021 Programme Based Budget Estimates

8.0 OUTLOOK FOR 2021

8.1 Management and Administration

8.1.1 To improve the efficiency and effectiveness of the performance delivery of the sector, 239 technical staff and 334 non-technical staff would be recruited. Further, 76 technical staff and 49 non-technical staff would be replaced. Additionally, 425 technical staff and 135 non-technical staff would be trained in different disciplines.

8.2 Road and Bridge Construction

8.2.1 In 2021 fiscal year, 50km of trunk roads and 25km of urban roads would be constructed, and those ongoing would be continued. In addition to that, five (5), 24 and three (3) bridges on the trunk, feeder and urban networks would be constructed. The Ministry will also undertake 15 engineering studies with three (3) on trunk roads, two (2) on feeder roads and 10 on urban roads.

8.3 Road Rehabilitation and Maintenance

8.3.1 In 2021, the Ministry and its Agencies plan to undertake 12,500km, 25,000km 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 trunk, feeder and urban roads would be undertaken on 23km, 800km and 300km on trunk, feeder and urban roads respectively.

8.3.3 Minor rehabilitation works would be done on 72km of trunk roads, 500km 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 five (5)km of walkway and junction improvement on 20 locations. Overloading of vehicles will also be kept below five (5) per cent of total vehicles weighed at all weigh stations.

8.5 Major Pipeline Projects

8.5.1 The Ministry and its Agencies will commence physical works on the following Major Pipeline Projects in the 2021 fiscal year:

- i) Construction of Adidome – Asikuma Junction (39.2km) and Asutsuare – Aveyime (23.9km) including 2 no. interchanges at Dufor Adidome and Asikuma Junction.
- ii) Construction of a bridge over the Volta River at Volivo.
- iii) Rehabilitation of Tatale-Zabzugu-Yendi-Tamale Road (165.8km)
- iv) Rehabilitation of Zabzugu-Nakpali-Bimbila Road (73.6km)
- v) Rehabilitation of Dome – Kitase Road (19.5km)
- vi) Design and construction of Buipe, Yapei, and Daboya Bridges
- vii) Construction of Tema-Aflao Phase 1 Road (17km);
- viii) Construction of Tema Akosombo Road (64.7km)
- ix) Project for Rehabilitation of Assin Praso – Assin Foso Road (60km) (N8) – Phase 2
- x) Construction of Tema Motorway Roundabout Phase 2
- xi) Supply and installation of bridge components for 50No. steel bridges from the Czech Republic
- xii) Rehabilitation of Kumasi Inner City and Adjacent Street Projects;
- xiii) Asphaltic overlay of selected streets in Accra and Tema
- xiv) Rehabilitation and upgrading of selected streets in Tamale and Yendi (Northern Region), Nalerigu, Walewale and Gambaga (North-East Region), and Damango (Savannah Region)

9.0 **BUDGETARY ALLOCATION FOR THE YEAR 2021**

A total disburseable amount of **GH¢1,967,771,491.00** has been allocated to the Ministry to execute its planned programmes for Fiscal year 2021. The amount is to be spent on categorised programmes. The breakdown of the total Budgetary Provision is shown in Tables 5, and 6.

TABLE 5: Summary of 2021 Budget Allocations

Economic Classified	GoG	IGF	Donor	ABFA	Total
Compensation	57,435,308	453,047	-	-	57,888,355
Goods & Services	2,429,891	9,836,162	18,095,347	-	30,361,400
CAPEX	157,690,242	9,426,873	917,507,182	794,897,439	1,879,521,736
Total	217,555,441	19,716,082	935,602,530	794,897,439	1,967,771,491

Source: 2021 Budget Statement and Economic Policy and 2021 MoRH Annual Estimates

Table 6: Budgetary allocation to the Ministry by programmes

Programme	GoG	IGF	ABFA	DONOR	TOTAL
Management and Administration	97,337,540	-	537,309,758	9,000,000	643,647,299
Road & Bridge Construction	46,596,585	1,138,491	83,709,478	201,427,446	332,872,000
Roads Rehabilitation & Maintenance	73,534,831	14,875,775	169,549,385	725,175,083	983,135,074
Road Safety & Environment	86,484	3,701,816	4,328,818	-	8,117,118
TOTAL	217,555,441	19,716,082	794,897,439	935,602,529	1,967,771,491

Source: 2021 Budget Statement and Economic Policy and 2021 MoRH Annual Estimates

10.0 OBSERVATIONS AND RECOMMENDATIONS

10.1 *Outstanding Commitments and Arrears*

The Committee noted with concern the outstanding payments and arrears owed to contractors. The Committee was informed that the situation has been due to delays and at times non-releases of budgetary allocations as well as delays in the issuance of commencement certificates for capital expenditure. As a result, the Ministry is saddled with huge outstanding commitments. Outstanding invoices from 2013 to December 2020 (Road arrears) for the sector amounts **GH¢2,247,494,598.07** while indebtedness to Contractors received at the Ghana Road Fund Secretariat pending payments is **GH¢3,955,023,225.14**.

It was added that the Ministry expects to receive additional certificates for work done for the remaining months of the year, particularly for pre-financed projects. This, the Committee believes would eventually compound the outstanding bills and arrears of the Ministry and expose it to a potential risk of being hauled to the Law Courts for deferred/delayed payments.

The Committee took cognisance of efforts being made by the Ministry of Finance to assist the Ministry of Roads and Highways to pay the arrears owed contractors. For it was explained that most of the arrears were inherited and the Ministry has been assisted by the Ministry of Finance in defraying most of the Ministry's indebtedness. This, notwithstanding, the Committee therefore appeals to the Ministry of Finance to put in place special arrangement to enable the Ministry to settle its indebtedness to contractors.

10.2 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 and has contributed to the huge outstanding arrears in the road sector.

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

10.3 Prioritisation of On-going Projects

The Committee was informed about the Government's policy to put the award of new contracts for the 2021 fiscal year on hold until further notice and the ministry has already adopted the policy. The Committee noted this is to enable the Ministry effectively monitor on-going projects at various stages of completion throughout the country to be completed.

The Committee however urged the Ministry to anticipate emergency situations/projects and address them efficiently when they occur.

10.4 **Inadequate and Untimely Release of Funding**

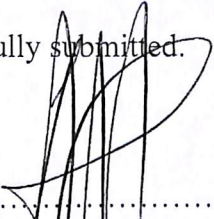
The Committee noted that the Ministry's budget allocation for 2021 of **GH¢1,967,771,491.00** has been one of the highest compared with other sectors though lower than 2020 allocation of **GH¢2,275,325,664.00**. Nonetheless, funding to the road sector is still inadequate considering the size of the portfolio. Further, the Committee observed that inadequate funding and untimely release of funding is affecting project cash flow which consequently leads to interest payments and delays in the completion of projects. The Committee recommends for additional sources of funding for the road sector and urged the timely release of funds to the MRH.

11.0 **CONCLUSION AND RECOMMENDATION**

The pivotal role played by the Road Sector is known to all. The Committee having critically scrutinised the 2021 Annual Budget Estimates of the Ministry of Roads and Highways and being mindful of the 2021 fiscal year being declared the Second Year of Roads as well as 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 planned programmes for the year 2021 and therefore unanimously recommend to the House for the approval of the sum of **GH¢1,967,771,491.00** for the programmes of the Ministry of Roads and Highways for the fiscal year 2021.

Respectfully submitted.

PARLIAMENT OF GHANA LIBRARY


.....
HON. KENNEDY NYARKO OSEI
CHAIRMAN, COMMITTEE ON
ROADS AND TRANSPORT


.....
ROSEMARYARTHUR SARKODIE
CLERK, COMMITTEE ON
ROADS AND TRANSPORT

March 2021