

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

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

ON THE

2010 ANNUAL BUDGET ESTIMATES

OF THE

MINISTRY OF ROADS AND HIGHWAYS

December 2009

REPORT OF THE COMMITTEE ON ROADS AND TRANSPORT ON THE 2010 ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF ROADS AND HIGHWAYS

1.0 INTRODUCTION

In fulfillment of article 179 of the 1992 constitution, the Budget Statement and Economic Policy of Government for 2010 Financial Year was presented to the House by the Hon Minister for Finance and Economic Planning on Wednesday, 18th November, 2009.

In accordance with standing orders 140(4) and 189 of the House, the Annual Budget Estimates for 2010 fiscal year of the Ministry of Roads and Highways was referred to the Committee for consideration and report.

The Committee met on the estimates with the Hon. Minister, Joe Gidisu, the Deputy Minister, Hon. Robert Mettle-Nunoo, the Chief Director, representatives from the Ministry of Finance & Economic Planning, Agency Heads and officials from the Ministry of Roads and Highways. The Committee acknowledged their presence at the Meeting and is grateful for their co-operation.

The Department and Agencies under the Ministry is as follows:

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

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 2010 Financial Year.

3.0 VISION

The vision of the Ministry of Roads and Highways is "To provide and maintain an integrated, cost-effective and sustainable road transport network responsive to the needs of users, supporting growth and poverty reduction".

4.0 MISSION

In order to realize the above vision, the Ministry's is "To Formulate the requisite policies, monitor and evaluate programmes and projects to ensure the provision of affordable, integrated, safe, responsive and sustainable road transport network that will meet the economic, social and environmental needs as well as the national and international standards".

5.0 PERFORMANCE OF THE ROAD SECTOR IN 2009

The 2009 Budget was designed with the main focus of contributing greatly to ensure accelerated growth as means to sustainable poverty reduction. Additionally, the budget sought to integrate moral economies with the urban economies as well as ensuring lower transport costs through the provision of safe and reliable road infrastructure network.

Under the Transport Sector Development Programme (TSDP), several projects were formulated and approved for implementation. These are the Transport Sector Project (TSP), Transport Sector Planning and Integration Programme (TSP/IP), Integrated Transport Plan (ITP), Social and Environmental Assessment of ITP, Capacity Development in Policy and Planning in the Transport Sector and Public Finance Management in the Transport Sector.

Government continued the preparation of the Abidjan Lagos Transport and Trade Facilitation Project (ALTTEP). Government also continued the preparation of the ECOWAS Regional Transport and Transit Facilitation Programme (RTTFP) to assist ECOWAS and UEMOA, to implement two transit facilitation programmes towards the free movement of goods and services in the sub-region.

Key projects/activities are:

5.1 (a) Ghana Highway Authority (GHA)

- Routine maintenance on a total of 4,047 km of roads;

- Periodic maintenance of 108 km of re-gravelling/spot improvement, resealing and other periodic maintenance works.
- The Axle Load Control system received 7 High Speed Weigh-in Motion (HSWIM) equipment for monitoring of the axle load limits on the country's trunk roads;
- The following development projects were substantially completed: and
- Sogakope – Akatsi
- Anyinam – Konongo Ph II
- Kumasi – Techiman Ph I

Other ongoing projects include the following:

- Tetteh Quarshie – Madina
- Anwiankwanta – Fornena (sectional rehabilitation)
- Bamboi -Tinga

The following maintenance projects among others are at different stages of completion:

- UER 1. Chuchiliga – Sandema
2. Missiga – Garu
- UWR 1. Nadiwli – Lawra
2. Wa – Bulenga
- NR 1. Bimbilla Town Road
2. Walewale – Gambaga
- CR 1. Mankessim – Ajumako
2. Kasoa – Bawjiase
- WR 1. Telukobokazo – Anibu

5.2 (b) Department of Feeder Roads

The Department of Feeder Roads (DFR) completed a total of 6,854 km of routine maintenance works on its network. DFR also undertook 869 km of regravelling, sport improvement and rehabilitation works under its periodic maintenance works.

5.2.1 Bridges Programmes

DFR completed 3 out of the targeted 10 major/small span bridges. The following additional projects were completed.

- Koluedor – Songornya Greater Accra
- Sombo – Daffiama Upper West Region

- Wassa Akropong – Adansi (Wulugu-Kpasenkpe) Western Region
- White Volta Bridge Northern Region
- Ekundiye Bridge over R. Daka Northern Region

Some of the ongoing feeder road projects include:

- Bortianor – Kokrobitey Greater Accra Region
- Abrem-Agona-Essiam Effutu PH1 Central Region
- Wegbe-Alavanyo-Nkonya Volta Region
- Akropong-Tumfa-Ekorsu Eastern Region
- Asokore-Mampong-Parkoso-Aperade Ashanti Region
- Tankro-Fiema Brong Ahafo Region
- Bunkrugu Town Roads Northern Region
- Winkongo-Tongo Zuarungu Upper East Region
- Asankragua Town Roads Western Region

5.2.2 District Capital Roads Improvement Project (DCRIP)

DFR completed a total of 55 No culverts, 20.4 km of concrete U-drains and 874 m of kerbs under the DCRIP. This project was initiated by Government to provide a facelift to the capitals of some of the newly created district. The project covers 47 Districts Capitals in all the 10 regions of Ghana.

5.2.3 COCOBOD Funded Programme

DFR reshaped and spot improved a total of 1,644.5 km of feeder roads under the COCOBOD funded programme. This was to surface-dress (tar) roads in six cocoa producing regions namely Volta, Eastern, Central, Western, Ashanti and Brong Ahafo.

5.3 (c) Department of Urban Roads (DUR)

DUR completed a total of 1,416 km of routine and periodic maintenance works. About 60 km of minor rehabilitation and upgrading works was executed. The status of development projects executed is as follows;

- Construction of Nsawam Road Phase II (Kwame Nkrumah Circle – Achimota): This phase of the project involves works on the 3 roads adjoining the corridor and extension at the Achimota transport terminal. Works are currently ongoing and recorded completion of about 70%.
- Accra CBD Roads: The progress of work on the Central Business District (CBD) road works is about 95% complete. The Korle Lagoon Bridge was

completed and opened to traffic. Works are ongoing on the Asafoatse Nettey and Korle Lagoon roads.

- Kumasi Road and Urban Development project: Construction works for the provision of facilities at the new site, Sokoban, earmarked for woodworkers was completed. Relocation of the woodworkers in progress. Works on the Oforikrom-Asokwa bypass (including an interchange at Timber Gardens) is 13% complete.
- Sunyani Road (Komfo Anokye Teaching Hospital to Abuakwa): The report includes the construction of an interchange at Sofoline and about 11 km of adjoining roads. The works is currently 25% completed.

5.4 MILLENNIUM CHALLENGE ACCOUNT (MCA) PROGRAMME

The following activities were undertaken during the year:

- Crop Productivity Improvement Training and FBO Business Capacity Training for 350 Farmer-Based Organisations (FBOs);
- Commencement of the main construction works on the rehabilitation and the relocation of utility services on the N1 highway (Tetteh Quarshie-Apenkwa Section);
- Rehabilitation and furnishing of 65 Schools in 12 of the 30 Districts under the MCA Ghana Program, including some flood affected areas of the Northern Region;
- Commencement of Consultancy Services for the Cheque Codeline and Automated Clearing House Systems and the Development of the Wide Area Network (WAN) for Rural banks under the Rural Financial Services Activity;
- Installation of Pre-Coolers, Packing Lines and Generator Sets on the farms of seven beneficiary members of Sea-Freight Pineapple Exporters Group (SPEG); and
- Building of procurement capacity through intern training and awarding of scholarships to students of tertiary institutions.

5.5 FINANCIAL PERFORMANCE OF THE ROAD SECTOR IN 2009

The financial performance of the Ministry and its Agencies as at the end of September 2009 is as follows:

Table 1:**Financial Performance as at 30th September, 2009**

ITEM	Total 2009 Budget (Gh¢)	Disbursement As The end of September 2009 (Gh¢)	% Budget Disbursed as at the end of September 2009
Personnel Emoluments	9,930,678	11,277,110	113.56
Administration Activity Expense	957,116	771,430	80.60
Service Activity Expense	510,749	334,710	65.53
Investment (Wholly GOG)	76,295,640	74,073,950	97.09
Sub-total	87,694,183	86,457,200	98.60
Roads Arrears	80,000,000	79,950,310	99.94
Total (GOG)	167,694,183	166,407,510	99.23
Investment (Donor)	171,860,226	68,096,060	39.62
Road Fund	94,479,300	67,758,470	71.72
Overall Total	434,033,709	302,262,040	69.64

It should be observed that with the exception of disbursement on donor fund, all other items of expenditure would be above target by the close of the year 2009.

6.0 **OUTLOOK OF THE MINISTRY FOR 2010**

The Ministry will rehabilitate the Buipe-Tamale section of about 103 km of the central corridor. Other road construction activities will include the construction works of the bus rapid transit route from Mallam to the central business district of Accra, regulation of urban passenger transport by the identified MMDAS of the bus rapid transit project and the establishment of a centre for urban transport design of new traffic light systems.

The Ministry will also pursue the following policy initiatives to improve on its operations. These will include:

- Maintenance of road assets; the Ministry will shift its present focus from upgrading and rehabilitation of roads to routine and periodic maintenance of activities;
- Electronic tolling of roads; the Ministry will expand the electronic tolling of roads to other sections of the road to improve revenue generation into the road fund for effective maintenance of the road network;
- Axle load control; it will intensify the implementation of the law on axle load limit. This is to forestall the premature failure of the road network and the consequent cost of rehabilitation; and
- Public Private Partnership (PPP); the Ministry is exploring the Public Private Partnership Scheme in the financing, construction and management of road infrastructure. This approach will release the heavy burden road infrastructure has on the national budget.

6.1 **Ghana Highway Authority (GHA)**

GHA will carry out a total of 12,118 km routine maintenance and 612 km of periodic maintenance activities on the trunk road network. Civil works contracts will be continued for about 600 km of road projects. Some of these roads are;

- Anwiankwanta – Yamoransa (Sect. Rehab)
- Tetteh Quarshie – Madina Road
- Dualisation of Pantang – Mamfe Road
- Bamboi – Tinga
- Ho – Fume
- Sogakope – Adidome – Ho
- Asankragwa – Enchi
- Berekum – Sampa
- Kpandu – Worawora – Dambai, Phase 3

- Wenchi –Sampa Phase 2, Nsawkaw –Namase Section
- Bomfa Junction – Asiwa – Bekwai
- Sefwi Bekwai – Eshiem – Asankragwa, Km 10-56
- Anyinam – Konongo road and Nkawkaw Bypass
- Achimota – Ofankor
- Nsawam – Apedwa Road, Nsawam Bypass (Accra bound)
- Kwafokrom – Apedwa (Dual carriageway)

6.1.1 Bridge Programmes

GHA will commence the construction of the following 7 bridges. These are;

- Birim River Bridge
- Ochi River Bridge
- Asuboni River Bridge
- Amenfneso River Bridge
- Sissily River Bridge
- Kalangmua River Bridge

The Adomi Bridge Rehabilitation has also been planned for implementation.

6.2 Department of Feeder Roads (DFR)

The Department of Feeder Roads will undertake the re-shaping and routine maintenance on 26,223km of engineered feeder roads, rehabilitation/construction of short and medium span steel bridges, box culverts and side drains. In addition, the Department will carry out periodic maintenance including the surfacing of some roads. Some of the ongoing projects to be completed include:

- | | |
|-------------------------------------------|--------------------|
| • Bortianor-Kokrobitey (5.35km) | Great Accra Region |
| • Abrem-Agona-Essiam Effutu PH1 (15.2km) | Central Region |
| • Wegbe-Alavanyo-Nkonya (16.2km) | Volta Region |
| • Akropong-Tumfa-Ekroso (12 km) | Eastern Region |
| • Asokore-Mampong-Parkoso-Aperade (5.1km) | Ashanti Region |
| • Tankro-Fiema (7.4km) | Brong Ahafo Region |
| • Bunkprugu Town Roads (4km) | Northern Region |
| • Winkongo-Tongo Zuarungu (16km) | Upper East Region |
| • Asankragwua Town Roads (4.8km) | Western Region |

6.3 Department of Urban Roads (DUR)

The Department of Urban Roads (DUR) will undertake routine and periodic maintenance works on at least 9,033km of its urban road network. Major road rehabilitation and reconstruction works will continue on the following:

- Nsawam road Phase II (Kwame Nkrumah Circle – Achimota) – 70% complete
- Accra CBD roads – 95% complete
- Kumasi roads and Urban Development project – 13% complete
- Teshie roads Project – ongoing
- Sunyani road (Komfo Anokye Teaching Hospital to Abuakwa) – 25% complete.

6.3.1 Creation of New Municipal Road Units

DUR in collaboration with some district assemblies will establish about 5 road units in newly created municipalities in line with the Government's decentralization programme.

6.4 MILLENNIUM CHALLENGE ACCOUNT (MCA) PROGRAMME

The following activities will be undertaken in 2010:

- Commence the construction of Landing Sites; purchase 2 new Ferries and rehabilitate the Floating Dock to help improve the Volta Lake Ferry Services;
- Continue the design work and feasibility studies for the construction of a Perishable Cargo Centre at Kotoka International Airport and the provision of pre-coolers to help Exporters;
- Continue with the design, feasibility studies and Environmental Impact Assessment (EIA) for the rehabilitation of irrigation schemes;
- Select beneficiary entrepreneurs to commence work on the 18 Agribusiness Centres across the 3 Zones;
- Conduct survey of lands and provide titles to 3,000 beneficiaries in the Awutu-Senya District; among others.

Table 2

Summary of 2010 Planned and Approved Budget Estimates for the Ministry of Roads and Highways and its Agencies

ITEM	APPROVED CEILINGS 2010	PLANNED 2010	VARIANCE	%VAR
PE	13,828,949	13,938,330	109,381	1
ADM	1,557,167	5,474,250	3,917,083	72
SERVICE	900,000	2,543,480	1,643,480	65
INVEST:	130,000,000	500,771,870	370,771,870	74
Matching Funds		73,177,770		
Compensation		55,700,000		
Wholly GOG - O		177,132,900		
Wholly GOG - N		37,000,000		
Taxes & Duties		2,051,200		
Arrears		155,710,000		
Actual		119,370,000		
Projected		36,340,000		
TOTAL GOG	146,286,116	522,727,930	376,441,810	72
ROAD FUND	103,110,000	458,006,100	353,076,100	77
Arrears		106,600,000		
Projected		86,500,000		
Works in		264,906,100		
DONOR	205,385,802	187,288,100	(18,097,702)	10
IGF	457,800	597,400	139,600	23
GRAND TOTAL	455,239,718	1,168,619,530	713,379,812	61

Table 3 below shows the details of the approved budget ceilings of the Ministry of Roads and Highways for 2009 and 2010 and percentage variance

**Table 3:
COMPARATIVE TABLE FOR 2009 AND 2010 FOR APPROVED BUDGET**

ITEM	YEAR 2009 GH¢	YEAR 2010 GH¢	VARIANCE GH¢	%
PERSONNEL EMOLUMENT	9,930,678	13,828,949	3,898,271	39.3
ADMINISTRATION	957,116	1,557,167	600,051	62.7
SERVICE	510,749	900,000	389,251	76.2
INVESTMENTS	76,295,640	130,000,000	53,704,360	70.4
TOTAL GOG	87,694,183	146,286,116	58,591,933	66.8
ROAD FUND	94,479,300	103,110,000	9,374,000	10.0
DONOR	171,860,226	205,385,802	33,525,576	19.5
IGF	-	457,800		
GRAND TOTAL	354,033,709	455,239,718	101,206,009	28.6

7.0 OBSERVATIONS AND RECOMMENDATIONS

The Committee noted that fuel level contribution to the Road Fund is low and this has affected the revenue base of the fund. The inability to increase the fuel level from the current level of cedi equivalent of 6 pesewas/litre approved in 2005 to 9 pesewas/litre to take cognizance of non-increment in 2006, 2007, 2008 and 2009 is a matter of urgent concern.

It is the opinion of the Committee that the Ministry should take urgent steps to review the levels upwards to enable realistic road user fees to be charged.

The Committee observed that most of the haulage trucks from neighbouring landlocked countries that ply our roads exceed the axle load limit for our roads. As a result of lack of monitoring on the part of the Ministry this practice has contributed to deterioration of our roads. It is the view of the Committee that the Ministry should expedite action on the Axle Load Control Action plan to address the problem.

The Committee also expressed worry about outstanding arrears for the staff of Ghana Highway Authority to cater for allowances, workmen compensation, funeral grants, fuel and maintenance of vehicles.

The Committee is of the opinion that these outstanding arrears be paid to enable the Authority to operate efficiently.

The Committee further observed that the Ministry is still grappling with key challenges of inadequate project funding and weak private contractor capacity. Coupled with these challenges is the need for the Department of Urban Roads to establish road unit offices in the municipalities without the provision of adequate resources.

It is important that the Ministry is supported with adequate funding to pay for work done by contractors and also come up with training programmes to improve the capacity of private contractors. Besides, the Ministry should facilitate to resource contractors with plant and equipment. In addition, the Public Private Partnership Scheme could be put in place to support the Ministry to carry out its programmes.

The Committee would like to recommend that the Department of Urban Roads be well resourced to enable the establishment of new offices.

The Committee was also informed that the Ministry of Roads and Highways has a huge road arrears to be paid to contractors in the sum of about GH¢ 200.0 million for both Government of Ghana (GOG) and Road Funded projects.

There is the need for an intervention to clear the arrears since the 2010 budget ceiling will not be adequate to settle the arrears let alone complete on-going projects.

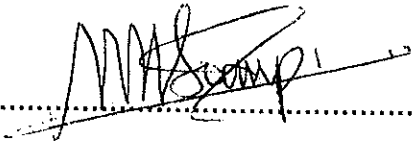
The Committee observed that the Ministry's allocation of the National Budget is far below the planned budget and will not allow the Road Agencies to carry out their planned programmes.

In view of this, the Agencies have sought to rationalize their commitment by terminating projects on which contractors performance have been unacceptably poor.

8.0 CONCLUSION

To enable the Ministry execute its programmes, the Committee recommends to the House for approval the sum of **GH¢352,129,718 (Three Hundred and Fifty Two Million, One Hundred and Twenty-nine Thousand, Seven Hundred and Eighteen Ghana Cedis)** for the activities of the Ministry of Roads and Highways for the financial year 2009.

Respectfully submitted



HON. MICHAEL COFFIE BOAMPONG
CHAIRMAN, COMMITTEE ON ROADS
AND TRANSPORT



SAMUEL ADDEI (MR.)
CLERK TO THE COMMITTEE