

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

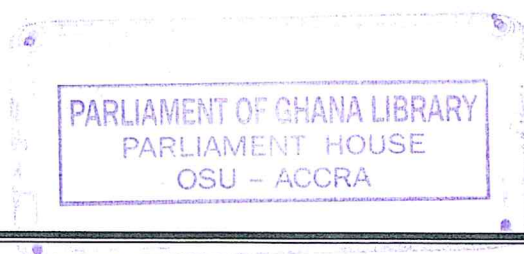
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**REPORT OF THE COMMITTEE ON  
ROADS AND TRANSPORT**

**ON THE**

**2016 ANNUAL BUDGET ESTIMATES OF  
THE MINISTRY OF ROADS AND  
HIGHWAYS**



*15<sup>th</sup> December, 2015*



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

## 1.0 INTRODUCTION

- 1.1. In fulfilment of Article 179 of the 1992 Constitution, the Budget Statement and Economic Policy of Government for 2016 Financial Year was presented to the House by the Minister for Finance, Mr. Seth Emmanuel Terkper on Friday 13<sup>th</sup> November, 2015.
- 1.2 The Budget Estimates of the Ministry of Roads and Highways (MRH) were thereafter referred to the Committee for Roads and Transport for consideration and report in accordance with Standing Orders 140 (4) and 189 of the House.
- 1.3 The Committee met on Wednesday, 9<sup>th</sup> December, 2015 to consider the Budget Estimates with the Sector Minister, Hon. Inusah Fuseini, the Deputy Sector Minister, Hon. Isaac Adjei Mensah, the Acting Chief Director and Heads of Agencies of the Sector Ministry and some Officials from the Ministry of Finance.
- 1.4 Being a programme based Budget, the Estimates covers the Management and Administration Programme, Road Infrastructure Development and Maintenance including Training and Road Maintenance Financing. These programmes are undertaken by the main Ministry and the under listed Departments and Agencies:
- (i) Ghana Highway Authority (GHA),
  - (ii) Department of Urban Roads (DUR),
  - (iii) Department of Feeder Roads (DFR),

- (iv) Ghana Road Fund (GRF); and
- (v) Koforidua Training Centre.

## **2.0 REFERENCE DOCUMENTS**

2.1 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 2016 Financial Year,
- iv) The Medium Term Expenditure Framework (MTEF) for 2016-2018 Programme Based Budget Estimates; and
- v) The Report of the Committee on the 2015 Budget Estimates for the Ministry of Roads and Highways.

## **3.0 MISSION OF THE MINISTRY OF ROADS AND HIGHWAYS**

3.1 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 POLICY OBJECTIVES OF THE MRH

4.1 The policy objectives relevant to the Road Sector as outlined in the Medium Term Expenditure Framework (MTEF) for MRH for 2016-2018 are:

- Establish Ghana as a Transportation Hub for the West Africa Sub-Region,
- Create and sustain an efficient and effective transport network that meets user needs,
- Integrate land use, transport planning, development planning and service provision,
- Create appropriate environment for private sector participation in the delivery of transport infrastructure,
- Ensure sustainable development and management of the Transport Sector,
- Develop adequate human resource base; and
- Develop and implement comprehensive and integrated policy, governance, and institutional frameworks.

## 5.0 PERFORMANCE OF THE ROAD SECTOR IN 2015 FISCAL YEAR

### 5.1 Road Rehabilitation and Maintenance Programme:

5.1.2 MRH maintained its focus on maintenance activities to protect investment in roads by carrying out routine maintenance works on 7,228km of Trunk roads, 7,471km of Feeder roads, and 5,900km of Urban roads.

5.1.3 During the year under review, periodic maintenance activities comprising gravelling, spot improvement and resealing works were carried out on 18km of Trunk, 326km Feeder and 2,450km of Urban road networks. Minor rehabilitation works consisting

of upgrading and construction of culverts and drainage structures were also covered on 10km Trunk, 404km Feeder and 72km of Urban roads.

## **5.2. Road and Bridge Construction Programme**

5.2.1 As at the end of September 2015, MRH has been able to undertake rehabilitation, reconstruction, construction and upgrading of roads on a total of 67km and 25km on Trunk and Urban road networks respectively.

5.2.2 Additionally, the construction of roads in the Western region Oil Enclave are being executed to support the operations of the Gas Plant. 53km stretch of Alabokazo-Ekwei-Tikobo No.1 is 77% complete and 18km stretch of the Princess Junction-Princess Town road is also 13% complete.

## **5.3 Road Safety and Environment Programme**

5.3.1 In the year under review, the Ministry pursued the implementation of the Law on Axle Limit as stipulated in the Road Traffic Regulation LI 2180. Intensive education and sensitization on the axle load regulation is ongoing.

## **5.4 Public Private Partnerships (PPP)**

5.4.1 The Ministry's Public Private Partnerships (PPP) programme for the financing, construction and management of road infrastructure is progressing steadily.

5.4.2 Pre-feasibility studies on the Accra-Takoradi Highway were completed and the selection of a Transaction Advisor to carry out feasibility studies and procurement of a concessionaire is underway. For the Accra-Kumasi Highway, the Transaction Advisor has submitted the final draft report on the project. Discussions on the design concept and draft agreement are ongoing for the Accra-Tema Motorway.

## 5.5 Development of Roads

5.5.1 During the 2015 Fiscal year, most of the road development projects that were ongoing in the preceding years were either completed or close to completion. They include the Buipe-Tamale (100%), Dodi-Pepesu-Nkwanta (98%), Fufulso-Sawla (100%), Agona Junction-Elubo (94%), Awoshie-Anyaa-Pokuase (98%), Giffard Road (97%), Kwame Nkrumah Interchange Phase 1 (100%) among others.

## 5.6 FINANCIAL PERFORMANCE OF THE ROAD SECTOR IN 2015

**TABLE 1: MDA Summary of Disbursement of Approved Budget as at September, 2015.**

MRH AND ITS AGENCIES PERFORMANCE ANALYSIS AS AT SEPTEMBER, 2015			
EXPENDITURE ITEM	2015 CEILING (GH¢)	DISBURSMENT AS AT SEPTEMBER, 2015	% DISBURSED
COMPENSATION OF EMPLOYEES	27,607,579.00	24,347,647.00	88.2
GOODS AND SERVICES	646,792.00	73,686.00	11.4
ASSETS	500,000.00	0.00	0.0
ABFA ALLOCATION	332,505,994.00	85,215,764.00	25.6
<b>TOTAL GOG</b>	<b>361,260,365.00</b>	<b>109,637,097.00</b>	<b>30.3</b>
DONOR	564,675,982.00	1,023,135,686.00	181.2
IGF	5,721,063.00	1,438,564.00	25.1
<b>GRAND TOTAL</b>	<b>931,657,410.00</b>	<b>1,134,211,347.00</b>	<b>121.7</b>



## **6.0 OUTLOOK FOR 2016**

### **6.1 Routine and Periodic Maintenance**

6.1.1 In 2016, routine maintenance activities projected will cover 11,199km, 22,500km and 10,200km of Trunk, Feeder and Urban roads respectively.

6.1.2 Periodic maintenance for the year will be undertaken on 450km of Trunk, 1,000km of Feeder and 4,200km of Urban roads.

6.1.3 Minor rehabilitation works will also be carried out on 150km of Trunk, 350km of Feeder and 100km of Urban roads.

### **6.2 Development of Roads**

6.2.1 In 2016 Fiscal year, about 200km of Trunk and 40km of Urban roads will be constructed or rehabilitated to bituminous surfacing. Among such roads are: Kwafokrom-Apedwa, Enchi-Dadieso, Eastern Corridor roads, Kasoa Interchange and associated roads and Kwame Nkrumah Interchange Phase 2.

### **6.3 Bridge Construction Programme**

6.3.1 Long, Medium and Short span bridges totalling thirty-three (33 no.) have been scheduled for construction during 2016 Fiscal year. DFR has twenty-eight (28 no.) whilst GHA has five (5 no.) on-going bridge works at various stages of completion.

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

6.4.1 The Ministry and its Agencies will install and maintain 120 Traffic Signals and also correct or treat 20 road safety hazard sites throughout the Country.



6.5 TABLE 2: PLANNED BUDGET FOR 2016 AGAINST APPROVED CEILINGS

EXPENDITURE ITEM	APPROVED CEILING (GH¢)	PLANNED BUDGET (GH¢)	VARIANCE	VAR %
COMPENSATION OF EMPLOYEES	33,652,108.00	32,053,131.00	1,598,977.00	5.0
GOODS AND SERVICES	323,395.00	11,484,295.00	(11,160,900.00)	(97.2)
ASSETS	0.00	394,251,500.00	(394,251,500.00)	(100.00)
ABFA ALLOCATION	172,841,246.00	3,548,263,733.00	(3,375,422,487.00)	(95.1)
SUB – TOTAL (GoG)	206,816,749.00	3,986,052,659.00	(3,779,235,910.00)	(94.8)
DONOR	408,273,184.00	1,287,593,741.00	(879,320,557.00)	(68.3)
IGF	9,534,264.00	6,262,620.00	3,271,644.00	52.2
GRAND TOTAL	624,624,197.00	5,279,909,020.00	(4,655,284,823.00)	(88.2)

It is deduced from the Table 2 that only 11.8% of the Planned Budget of the Ministry was accepted by the Ministry of Finance.

6.6 TABLE 3: COMPARISON OF APPROVED BUDGET FOR 2015 WITH 2016  
CEILINGS

EXPENDITURE ITEMS	YEAR 2015	YEAR 2016	VARIANCE	VAR %
COMPENSATION OF EMPLOYEES	27,607,579.00	33,652,108.00	6,044,529.00	21.9
GOODS AND SERVICE	646,792.00	323,395.00	(323,397.00)	(50.0)
ASSETS	500,000.00	0.00	(500,000.00)	(100)
ABFA ALLOCATION	332,505,994.00	172,841,246.00	(159,664,748.00)	(48.0)
<b>TOTAL (GOG)</b>	<b>361,260,365.00</b>	<b>206,816,749.00</b>	<b>(154,443,616.00)</b>	<b>(42.8)</b>
DONOR	564,675,982.00	408,273,184.00	(156,402,798.00)	(27.7)
IGF	5,721,063.00	9,534,264.00	3,813,201.00	66.7
<b>GRAND TOTAL</b>	<b>931,657,410.00</b>	<b>624,624,197.00</b>	<b>(307,033,213.00)</b>	<b>(33.0)</b>

## **7.0 CHALLENGES AND CONSTRAINTS**

- 7.1 The Committee noted that all the three (3) Road Agencies were challenged in terms of Staff strength because of the freeze on recruitment which is affecting the Agencies' performances. Personnel for project supervision are inadequate.
- 7.2 Low and untimely release of funds for Goods and Services hampered the preparation, supervision and monitoring of projects by the Engineers and other Technical Staff. Besides, the payment of allowances due them are unduly delayed resulting in low morale.

## **8.0 OBSERVATIONS AND RECOMMENDATIONS**

- 8.1 It was noted under the IGF for 2016 that an amount of GH¢4,072,098.00 meant for the National Road Safety Commission (NRSC), an Agency under the Ministry of Transport was wrongly posted by the Ministry of Finance to the Headquarters of the Ministry of Roads and Highways. Indeed, the officers from the Ministry of Finance admitted the error and promised to reverse it as advised by the Committee during the consideration of the Budget Estimates.
- 8.2 A phenomenon observed by the Committee was that funds authorised by the Ministry of Finance for release to the Ministry and its Agencies were not paid by the Controller and Accountant-General. Thus on paper, figures on the releases by the Ministry of Finance were in reality different from figures received or paid to the Ministry and its Agencies. In the Committee's view, this phenomenon distorts planning and activities of the Ministry. The undue delay the Ministry and its Agencies go through in the quarterly apportionment of Goods and Services have affected projects preparation, supervision and monitoring required to achieve value for money on road projects.



The Committee recommends to the Ministry of Finance to devise effective means of coordinating with the Controller and Accountant-General and the beneficiary institutions to avoid this challenge.

- 8.3 Low and late releases of funds to the Ministry for 2015, affected the general performance of all the Agencies under the Ministry. In particular, funds for the purchase of fuel for field works, repairs of supervisory vehicles and allowances due staff under their Collective Bargaining Agreements. The latter, has resulted in low level of morale among the workers.
- 8.4 Undue delay in the payment for works done by Contractors and Consultants on Government of Ghana contracts especially Road Fund Projects was noted by the Committee whilst considering the Budget Estimates of the Ministry. The challenge has therefore resulted in the Government paying huge interests on Invoices due Contractors/Consultants that had been delayed after the period stipulated in the various Contract Agreements for payment to be effected. The interest due the Contractors/Consultants are compounded daily or monthly depending on the Agreement.
- 8.5 Inadequate staffing in the Ministry and its Agencies due partly to the attrition of staff was also observed. This challenge, the Committee was reliably informed, is impacting negatively on the performance of the Ministry.
- 8.6 Under the Road Safety and Environment Programme, a number of projects were noted to have been put in place to facilitate road safety management. This includes Traffic Calming along the Peduase-Mamfe Road, Advanced Directional Signs on Gantries and Safety Works on the Tetteh Quarshie-Mallam Road and Roadline



markings which are laudable. But the problem observed by the Committee in most of its field monitoring of projects is that, most of the road markings fade in no time. The Road User therefore do not realise the full benefit of the efforts and funds expended on such projects.

The Committee has drawn the attention of the Ministry, particularly, GHA and DUR to the problem and cautioned them to ensure that the Contractors apply “weather resistant” materials and those that meet specification requirements for road markings to facilitate smooth and safe drive on our roads.

- 8.7 The activities of DUR and DFR were observed to have been decentralised to the District, Municipal and Metropolitan Assemblies. This implies that the construction, maintenance and supervision of roads within the jurisdiction of the Assemblies are to be carried out by them. However, the Committee is seized with information that a number of the road works undertaken by the Assemblies have not received the required supervision resulting in earlier failure of some of the roads. This may be as a result of lack of technical personnel at the Assemblies.

The Committee has therefore drawn the attention of the Ministry to the problem and recommended that, attention be paid to adequately build the capacities of the Assemblies in road construction and maintenance.

## 9.0 CONCLUSION

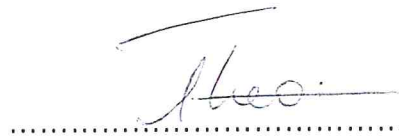
- 9.1 The pivotal role played by the road sector is known to all. Therefore, for the Ministry of Roads and Highways to realise its objectives and mission, the Committee urges the House to adopt this report and approve the sum of **Six Hundred and Twenty Four Million, Six Hundred and Twenty Four Thousand, One Hundred and Ninety Seven Ghana Cedis (GH¢624,624,197.00)** for the activities of the Ministry of Roads and Highways for the 2016 Financial Year.

Respectfully Submitted,



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



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

**15<sup>th</sup> December, 2015**