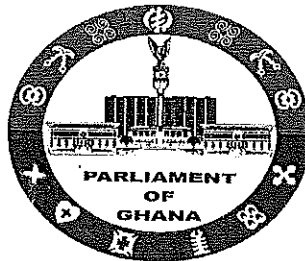


**IN THE FOURTH SESSION OF THE
SIXTH PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA**



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

ON THE

ROAD FUND (AMENDMENT) BILL, 2016

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REPORT OF THE COMMITTEE ON ROADS AND TRANSPORT ON THE ROAD FUND (AMENDMENT) BILL, 2016

1.0 INTRODUCTION

1.1 The Road Fund (Amendment) Bill, 2016 was presented to Parliament and read the First Time on Friday, 19th February, 2016. In accordance with Article 106 (4) and (5) of the Constitution and Order 189 of the Standing Orders of the House, the Rt. Hon. Speaker referred the Bill to the Committee on Roads and Transport for consideration and report.

1.2 During the consideration of the Bill, the Committee was assisted by the Minister for Roads and Highways, Hon. Inusah A. B. Fuseini and the Road Fund Coordinator, Mr. Francis Ahlidza.

2.0 REFERENCE DOCUMENTS

2.1 In the course of the Committee's work, references were made to the following documents:

- i. The 1992 Constitution of Ghana,
- ii. The Standing Orders of Parliament of Ghana; and
- iii. The Road Fund Act, 1997 (Act 536).

3.0 BACKGROUND INFORMATION

3.1 The Road Fund was set up under the Road Fund Act, 1997 (Act 536) to finance routine, periodic maintenance and rehabilitation of public roads in the country. The Fund is also charged with the responsibility to assist the Metropolitan, Municipal

and District Assemblies (MMDAs) in the exercise of their functions relevant to public roads under any enactment.

- 3.2 The sources of revenue as per the Establishment Act are: the petroleum or fuel levy, bridge, ferry and road tolls, vehicle licence and inspection fees, road user fees, international transit fees paid by foreign vehicles that uses our roads and such monies as the Minister for Finance in consultation with the Minister for Roads and Highways may determine with the approval of Parliament.
- 3.3 The implementation of the Road Fund Act, 1997 (Act 536) has ensured a steady flow of resources for road maintenance in the country, yet there is an appreciable funding gap for the maintenance of a vast section of the road network.
- 3.4 In order to safeguard the national road infrastructure valued over Six Billion United States Dollars (US\$ 6 Billion), there is the need to re-position the Road Fund to overcome some legal and administrative deficiencies in its operation in order to fully implement its mandates.

4.0 OBJECTIVE OF THE BILL

- 4.1 The objective of the Bill is to amend the Road Fund Act, 1997 (Act 536) to enable:
- (i) The Fund assume a corporate status and legitimately source additional funding for road maintenance; and
 - (ii) Empower the Minister for Roads and Highways to make Regulations for the effective implementation of the objectives of the Road Fund Act.

5.0 OBSERVATIONS

- 5.1 The Committee notes the significant role the road network plays in the socio-economic development of the country. Movement of people, goods and services in the country is mostly by road transport. This brings to the fore, the need to prioritise the sustained maintenance of such an important national asset.
- 5.2 Indeed, a well maintained road network:-
- i. Provides safe access to other sectors of the economy: health, education, agriculture, tourism among many others,
 - ii. Lessens vehicle operating cost as the regularity of vehicle repairs reduces,
 - iii. Reduces travel times thereby enhancing productivity,
 - iv. Facilitates transporting of farm produce to ready market centres in good time reducing post-harvest waste; and
 - v. Enhances safe driving and ensures general road safety.
- 5.3 As earlier indicated in the report, the implementation of the Road Fund Act, 1997 (Act 536) has enabled a steady flow of financial resources to be disbursed for road rehabilitation. But that achievement notwithstanding, there are issues that relate to the backlog of roads that need rehabilitation vis-a-vis the funding gap and the indebtedness in the payment of rehabilitation works carried out by road contractors.
- 5.4 The problems cited in the preceding paragraph compelled the Road Fund in 2008 and 2010 to borrow from SSNIT to defray the overdue indebtedness to contractors. Indeed, the actions of resorting to borrowing from SSNIT were done with good intentions but unfortunately, lacked legality.

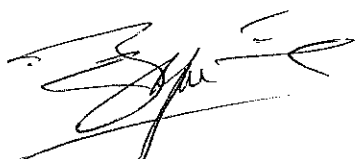
5.5 The Committee holds the view that, the Road Fund should be given the legitimacy in its operation by borrowing either on its own balance sheet or from banks/financial institutions to meet the maintenance needs of the ever growing road network in the country. Adequate road maintenance is a means of preserving a strategic national asset and an imperative for sustaining the national economy.

5.6 It is anticipated that the Road Fund (Amendment) Bill, 2016 when passed would enable the Road Fund to fairly operate with recourse to subscribing to some corporate ethical standards. Further, the Road Fund Board chaired by the Minister for Roads and Highways should be able to deal proactively with challenges arising from the management of the Funds when provided with regulatory power.

6.0 RECOMMENDATION AND CONCLUSION

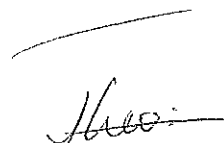
6.1 The Committee unanimously recommends to the House to approve its report and pass the Road Fund (Amendment) Bill, 2016 subject to the attached Amendments.

Respectfully submitted.



M. KWAKU ABREFA TAWIAH

**CLERK, COMMITTEE ON ROADS
AND TRANSPORT**



HON. THEOPHILUS TETTEH CHAIE

**CHAIRMAN, COMMITTEE ON
ROADS AND TRANSPORT**

22nd FEBRUARY, 2016

APPENDIX

AMENDMENT TO THE ROAD FUND (AMENDMENT) BILL, 2016

- i. **Clause 1** - **Amendment proposed** - Clause 1, line 1, *delete* “established” and *insert* “established.”
- ii. **Clause 1** - **Amendment proposed** - Clause 2, *delete* and *substitute* a new clause as follows:

“The Fund is a body corporate with perpetual succession and a common seal. It may sue and be sued and have in all respects the powers of a body corporate.”
- iii. **Clause 3** - **Amendment proposed** - Clause 3, new paragraph (da), line 1, *insert* “balance sheet and” between “own” and “from.”