

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

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

ON THE

**2018 ANNUAL BUDGET ESTIMATES OF THE
MINISTRY OF ROADS AND HIGHWAYS**

DECEMBER, 2017

REPORT OF THE COMMITTEE ON ROADS AND TRANSPORT ON THE 2018 ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF ROADS AND HIGHWAYS

1.0 INTRODUCTION

- 1.1. On Thursday, 16th November, 2017, the Minister for Finance, Mr. Ken Ofori Atta in fulfilment of Article 179 of the 1992 Constitution presented to the House, the 2017 Budget Statement and Economic Policy of Government.
- 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 Thursday, 14th November, 2017 to consider the Budget Estimates with the Deputy Minister for the sector, Hon. Kwabena Owusu Aduomi, Officials of the Sector Ministry and some Officials from the Ministry of Finance.
- 1.4 Being a programme based Budget, the Estimates cover 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 (KTC).

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 2018 Financial Year,
- iv) The National Medium Term Development Framework (NMTDF) for 2018-2021; and
- v) The Report of the Committee on the 2017 Budget Estimates for the Ministry of Roads and Highways.

3.0 MISSION OF THE MINISTRY OF ROADS AND HIGHWAYS (MRH)

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 NMTDF for MRH for 2018-2021 are:

- Establish Ghana as a Transportation Hub for the West Africa Sub-Region,
- Create a sustainable, accessible, affordable, reliable, effective and efficient transport system that meets user needs,
- Integrate land use, transport planning, development planning and service provision,

- Create a vibrant investment and performance-based management environment that maximises benefits for public and private sector investors,
- Ensure sustainable development in the Road Transport Sector,
- Develop adequate human resources and apply new technology; and
- Develop and implement comprehensive and integrated policy, governance, and institutional frameworks.

5.0 ACHIEVEMENTS OF THE ROAD SECTOR IN 2017 FISCAL YEAR

5.1 General Administration

5.1.1 The Ministry in 2017 programmed for its Monitoring Team to visit at least six (6) regions of the country by the end of 2017 to assess Agencies compliance with procurement rules and requirements, verification of quality of completed works, assessment of adherence to contract administration practices, assessment of the adequacy of supervision resources and technical equipment of the road agencies as well as agencies knowledge of the technical specification. As at September, 2017, the Monitoring team had visited seven (7) regions.

5.2 Road Rehabilitation and Maintenance Programme:

5.2.1 As at September, 2017 the MRH carried out routine maintenance on 10,250km (86% of approved work plan) of the trunk road network; 10,679km (47% of approved work plan) on the feeder road network; and 7,200km (71% of approved work plan) on the urban road network.

5.2.2 Periodic maintenance comprising re-gravelling/spot improvement and resealing works had been carried out on 199km (57% of approved work plan), 205km (68% of approved work plan) and 295km (84% of approved work plan) on the trunk feeder and urban roads respectively.

5.2.3 Periodic maintenance on the urban roads were mostly focused on resealing and asphalt overlay works which resulted in 100km of roads asphalted in Tema and Accra.

5.2.4 Minor rehabilitation works covering minor upgrading and the construction of culverts and drainage structures were carried on 47km (representing 78% of the approved work plan) for trunk roads, 313km (89% of approved work plan) on feeder and 26km (26% of approved work plan) on urban road networks.

5.3. Road and Bridge Construction Programme

5.3.1 MRH in 2017 undertook rehabilitation, reconstruction, construction of bridges and upgrading. In all, a total of 98.2km of development works (50% of approved programme) and 20km (80% of approved programme) have been executed on the trunk and urban road networks. Twenty-eight (28) bridges have been completed with 1 on the trunk road network, 24 on the feeder road network and the remaining 3 on the urban road network.

5.3.2 Other projects that achieved significant progress are listed below;

Project	Dec. 2016	Sept. 2017
Nsawam-Apedwa Road, Kwafokrom-Apedwa	77%	87%
Tarkwa Bogoso - Ayamfuri	96%	100%
Agona Junction - Elubo	98%	100%
Ayamfuri - Asawinso	92%	97%
Wa - Han	58%	74%
Kansaworodo Bypass Phase 3	0%	30%
Kasoa Interchange and Ancillary Works	58%	100%
Dualisation of Ho Main Road	0%	21%
Construction of Ho Bypass	9%	67%
Bolgatanga - Bawku - Polmakom	0%	13%
Nkwanta - Oti Damanko (km0-50)	35%	39%
Nkwata - Oti Damanko (kkm50-62.3)	13%	35%
Berekum - Seikwa	81%	88%

5.3.2 Other construction works in 2017 saw the supply of ACROW bridges. Phase I saw 37 out of the 44 been completed and the progress of work for the remaining 7 is 70% complete. Spanish Bridges project involved the construction of 52 bridges out of which 21 were awarded under Phase I and 13 have been completed and opened to traffic. The overall progress of work is 40%.

5.3.3 Ghana/Dutch Bridges project involved the supply of steel bridge components for the construction of 94 bridges out of which 88 have been launched and 81 opened to traffic. The overall progress of work is 93%.

5.4 Road Safety and Environment Programme

5.4.1 In the year under review, the Ministry pursued the implementation of the Law on Axle Load Limit as stipulated in the Road Traffic Regulation LI 2180. As at September, 2017 thirty (30) road warning signs, 5km line markings, 17km vegetation of control had been completed.

5.4.2 Also, 29km of pedestrian crossing, 33 speed humps and 9 traffic signals had been installed.

5.5 Road Financing

5.5.1 The Ministry continued to engage the Private sector using the Public Private Partnerships (PPP) schemes for the financing, construction and management of road infrastructure.

5.5.2 The update of the pre-feasibility studies on the Accra - Takoradi road project is completed.

5.5.3 The pre-feasibility study report for Accra - Tema Motorway project was submitted and approved in July, 2017. An initial market sounding event for the project was held September, 2017 and the Request for Quotations is to be issued in December, 2017.

5.6 FINANCIAL PERFORMANCE OF THE ROAD SECTOR IN 2017

TABLE 1: MDA Summary of Disbursement of Approved Budget as At September 2017

ITEM	2017 PLANNED BUDGET	2017 APPROVED BUDGET	DISBURSEMENT AS AT SEPT. 2017	% DISBURSED
COMPENSATION	39,195,960.00	39,784,996.00	27,367,520.00	69
GOODS & SERVICES	18,284,270.00	1,500,000.00	249,872.00	17
ASSETS	4,015,579,470.00	417,255,173.00	47,494,210.00	11
SUB-TOTAL (GOG)	4,073,059,700.00	458,540,169.00	75,111,602.00	16
DONOR	1,895,639,260.00	408,529,328.00	302,659,580.00	74
IGF	7,229,670.00	4,153,475.00	3,776,320.00	91
TOTAL	5,975,928,630.00	871,222,972.00	381,547,502.00	44

Table 1 shows how the Ministry utilised its budget for the year 2017

6.0 OUTLOOK FOR 2018

The Ministry to execute its program of activities for the year was given an amount of **GH¢532,689,187.00**. The amount is to be used to enhance the activities of the Ministry through the following programmes:

i.	Management and Administration	-	GH¢71,098,411.00
ii.	Road and Bridge Construction	-	GH¢320,213,503.00
iii.	Road Rehabilitation and Maintenance	-	GH¢129,277,717.00
iv.	Road Safety and Environment	-	GH¢12,099,556.00
	TOTAL	-	GH¢532,689,187.00

6.1 Management and Administration

6.1.1 In 2018, the Ministry intends to improve the effectiveness and efficiency of the performance delivery of the sector. To help achieve this, 34 technical staff and 75 non-technical staff would be recruited. Additionally, 70 technical staff and 45 non-technical staff would be placed. Also, 222 technical staff and 248 non-technical staff would be trained in different disciplines. An amount of GH¢71,098,411.00 has therefore been allocated to cover this exercise, among others.

6.2 Road and Bridge Construction

6.2.1 In 2018 fiscal year, 56km of trunk roads and 30km of urban roads would be constructed and those on-going would be continued. In addition to that, 2^{no.} 24^{no.} and 3^{no.} Bridges on the trunk, feeder and urban road network respectively would be constructed and also undertake 30 engineering studies. An amount of GH¢320,213,503.00 has been earmarked for these purposes.

6.3 Road Rehabilitation and Maintenance

- 6.3.1 The Ministry and its Agencies hope to undertake 11,900km, 22,500km and 6,500km of routine maintenance activities (grading, pothole patching, shoulder maintenance, vegetation control) on trunk, feeder and urban road networks respectively.
- 6.3.2 Periodic maintenance activities (spot improvement, re-gravelling, resealing, asphaltic overlay, partial reconstruction, and maintenance of bridges) would be undertaken on 36km, 500km, and 400km on trunk, feeder and urban roads respectively.
- 6.3.3 Minor rehabilitation works would be done on 100km of trunk roads, 850km of feeder roads and 60km of urban roads would also be undertaken. Under this programme a total amount of GH¢129,277,717.00 has been allotted. This excludes amount from the Ghana Road Fund.

6.4 Road Safety and Environment

- 6.4.1 The Ministry and its Agencies would install and maintain 20 and 350 Traffic Signals respectively and also put in place corrective measures to 150 road safety hazard sites throughout the Country. Overloading of vehicles will also be kept below 6% of total vehicles weighed at all weigh station.

6.5 TABLE 2: PLANNED BUDGET FOR 2018 AGAINST APPROVED CEILINGS

EXPENDITURE ITEM	PLANNED BUDGET (GH¢)	APPROVED CEILING (GH¢)	VARIANCE	VAR %
COMPENSATION OF EMPLOYEES	39,365,917.28	40,438,773.00	(1,072,855.72)	(3)
GOODS AND SERVICES	8,827,427.60	1,712,020.00	7,115,407.60	81
ASSETS	2,916,587,617.19	200,000,000.00	2,716,587,617.19	93
SUB - TOTAL (GoG)	2,964,780,962.07	242,150,793.00	2,722,630,169.07	92
DONOR	996,413,645.04	274,859,670.00	721,553,975.04	72
IGF	8,449,690.00	15,678,724.00	(7,229,034.00)	(86)
TOTAL	3,969,644,297.11	532,689,187.00	3,436,955,110.11	87

It is deduced from the Table 2 that only 13% of the Planned Budget of the Ministry was accepted by the Ministry of Finance. Besides, an amount of **GH¢1,260,680,000.00** planned budget was approved for the Ghana Road Fund for routine maintenance and other related work.

6.6 TABLE 3: APPROVED CEILING FOR 2018 FISCAL YEAR PER AGENCY

MINISTRY/AGENCIES	COMPENSATION	GOODS & SERVICES	SUB-TOTAL GOG	IGF	ABFA	DONOR	TOTAL
MINISTRY OF ROADS & HIGHWAYS	2,511,004	424,920	2,935,924	0.00	21,796,655	8,430,624	33,163,203
GHANA HIGHWAY AUTHORITY	25,675,286	585,060	26,260,346	15,129,959	89,842,952	126,178,931	257,412,188
DEPT. OF FEEDER ROADS	7,637,107	351,020	7,988,127	515,400	39,732,526	15,780,020	64,016,073
DEPT. OF URBAN ROADS	4,615,376	351,20	4,966,396	33,365	48,627,867	124,470,095	178,097,723
TOTAL	40,438,773	1,712,020	42,150,793	15,678,724	200,000,000	274,859,670	532,689,187

It was observed at the meeting with the Ministry and its Agencies that no IGF allocation was made to the Ministry of Roads and Highways.

7.0 CHALLENGES AND CONSTRAINTS

7.1 The Committee noted that funds allocated for assets were woefully inadequate to cater for its capital expenditure programmes. The Ministry requested for a planned budget of GH¢2,964,780,962.07 but a paltry sum of GH¢200,000,000.00 was approved.

7.2 Low and untimely release of funds for Goods and Services have been hampering the preparation, supervision and monitoring of projects by the Ministry and its implementing Agencies. In addition, payment of allowances are unduly delayed resulting in low morale of work.

- 7.3 The long delays in honouring payment of work done by contractors severely affect projects cash flow resulting in poor physical progress at various project sites. As a result of the undue delay in payments, interest accruing on such payment delays are huge and increasing daily.
- 7.4 The unusually high allocation for 'Goods and Services' under Donor Funds though not accessible.
- 7.5 The Long valuation period for compensation / resettlement for Project Affected Persons for projects like Agona Jn. - Elubo, Yamfuri - Asawinso among others.
- 7.6 Additionally, some of the conditions in the commencement certificates like no fluctuation and no interest on delayed payment issued by the Ministry of Finance are problematic.

8.0 OBSERVATIONS AND RECOMMENDATIONS

8.1 Budget Allocation

- 8.1.1 The Committee took note of the fact that the Ministry and its agencies were allocated a budget of GH¢ 532,689,187.00 which represents only 13% of the Ministry's planned budget that was submitted to Government.

The Committee was at a loss, how the Ministry would be able to carry out effectively its objectives and programmes considering the fact that Ghana's road network size projected at the end of the 2017 fiscal year stood at 72,381km. This figure is made up of:

- Trunk Roads (14,873km)
- Feeder Roads (42,045km)
- Urban Roads (15,463km)

8.2 Road Construction and Maintenance

8.2.1 The Committee noted that road construction and maintenance play an important role in the development of a country. However, during the consideration of the 2017 Budget Estimates of MRH it came to light that the rate of deterioration of newly constructed roads and existing ones was bad. The Committee noted that the maintenance of our roads has not been adequate over the years due to inadequate funding.

Analysis of the approved budgets of the Ministry over the years have shown that, approved ceilings never exceeded 20 percent of the planned budget for the Ministry. It usually falls between 12% and 15%, the exception being the 2015 fiscal year where the approved budget released was about 22 percent.

The Committee therefore urges the House to see to it that the Ministry is properly resourced.

8.3 Congestion

8.3.1 It is common knowledge that our cities are getting choked with traffic congestion. Congestion is prevalent mainly because our vehicles meet at the same level at most of our intersections.

The Committee took note of the congestion problem and recognised the need for our road intersections to have grade separated structures such as interchanges and overpass.

8.4 Poor Road Construction

8.4.1 The Committee noted that some roads are poorly designed, constructed and rehabilitated by Engineers from the Ministry. The committee was not happy with the situation and alluded to the fact that huge investments are made to construct and rehabilitate such roads, yet, hardly live up to a year, let alone meet their life span. The Committee further noted that in most situations the right mix of bitumen and materials are not applied, which affect the project life span.

The Committee recommends that the Sector Ministry beef up the knowledge and skillset of its young engineers in the Ministry for them to be up to their responsibilities.

8.5 Payment to Contractors

- 8.5.1 The Committee noted that huge arrears exist in payment to contractors which over the years have been unduly delayed.

The Committee took note of the situation and urges the House to take a critical look at the issue and impress upon the Ministry of finance to resolve the situation.

8.5 De-Capping the IGF of the Ghana Road Fund

The Committee was of the considered view that the Ghana Road Fund should be allowed to access its IGF subject to the 25% capping on Statutory Funds in order to operate efficiently. The Ghana Road Fund in 2017 had a planned budget of GH¢1,260,684,000.00 however GH¢866,946,000.00 was approved due to the Capping legislation.

The Committee urges the House to impress upon Cabinet to de-cap the ceiling placed on IGF of the Ghana Roads Fund to ensure its operational efficiency.

8.6 IGF Allocation to the Ministry of Roads and Highways

The Committee observed the agencies under the Ministry are allocated portions of their IGF with the exception of the main Ministry. This situation hampers the effective operation of the Ministry.

The Committee urges the House to impress the Ministry of Finance to cede a percentage of the Ministry's IGF for their utilisation.

9.0 CONCLUSION

- 9.1 It is about time the nation take a re-look at the budget allocation to the Ministry of Roads and Highways if our roads are to be given the desired maintenance and development to support the growth of our economy and eradicate poverty. An upward review in many folds will be required to match the daunting challenges, as the pivotal role played by the road sector is known to all.

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 Five Hundred and Thirty-Two Million, Six Hundred and Eighty-Nine Thousand, One Hundred and Eighty Seven Ghana Cedis (GH¢532,689,187.00) for the activities of the Ministry of Roads and Highways for the 2018 Financial Year.

Respectfully Submitted,



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



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MR. ASANTE AMOAKO-ATTA
COMMITTEE ON ROADS AND
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